

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: HUDSON AND HUDSON)
ITS OFFICERS, DIRECTORS,) File No. 0400056
EMPLOYEES, AFFILIATES, SUCCESSORS,)
AGENTS AND ASSIGNS)

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENT: Hudson and Hudson
2728 Green Street
San Francisco, California 94123

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, having been fully advised in the premises by the staff of the Illinois Securities Department, Office of the Secretary of State, herein find:

1. That Respondent, Hudson and Hudson, is a purported business entity, with a last known address of 2728 Green Street, San Francisco, California 94123;
2. That on or about February 6, 2001, Hudson and Hudson, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, offered to procure a loan for at least one (1) Illinois resident in return for a fee paid in advance of \$15,000;
3. That on or about February 6, 2001, Hudson and Hudson, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, negotiated, offered, attempted or agreed to negotiate the sale, exchange or purchase of a business for at least one (1) Illinois resident, as well as assisted said Illinois resident in procuring prospects intended to result in the purchase, sale or exchange of a business, in return for a fee of \$15,000;
4. That the above-referenced business entity, Hudson and Hudson, is a loan broker as that term is defined pursuant to Section 15-5.15. of the Illinois Loan Brokers Act of 1995 [815 ILCS 175/15-1 et seq.] (the "Loan Brokers Act");

Temporary Order of Prohibition

-2-

5. That the above-referenced business entity, Hudson and Hudson, is a business broker as that term is defined pursuant to Section 10-5.10. of the Illinois Business Brokers Act of 1995 [815 ILCS 307/10-1 et seq.] (the "Business Brokers Act");
6. That Section 15-85(b) of the Loan Brokers Act provides, inter alia, that it is prohibited under this Act for a loan broker to either directly or indirectly act as a loan broker without registration under the Act unless exempt under the Act;
7. That Section 15-10 of the Loan Brokers Act provides, inter alia, that it shall be unlawful for any person to engage in the business of loan brokering unless registered under the Act;
8. That Section 10-10 of the Business Brokers Act provides, inter alia, that every person engaging in the business of business brokering shall be registered with the Office of the Secretary of State pursuant to the provisions of said Act;
9. That Section 10-85(b)(1) of the Business Brokers Act provides, inter alia, that it is prohibited under the Act for a business broker to either directly or indirectly act as a business broker without registration under the Act unless exempt under the Act;
10. That Section 10-85(b)(2) of the Business Brokers Act provides, inter alia, that it is prohibited under the Act for a business broker to fail to file with the Secretary of State any application, report, document, or answer required to be filed under the provisions of this Act;
11. That at all times relevant hereto, Hudson and Hudson, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, failed to file an application for registration as a loan broker with the Secretary of State prior to the aforementioned loan offer in the State of Illinois;
12. That at all times relevant hereto, Hudson and Hudson, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, failed to file an application for registration as a business broker with the Secretary of State prior to the aforementioned business broker activities in the State of Illinois;

Temporary Order of Prohibition

-3-

13. That by virtue of the foregoing, Hudson and Hudson, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, have violated Sections 15-85(b) and 15-10 of the Loan Brokers Act;
14. That by virtue of the foregoing, Hudson and Hudson, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, have violated Sections 15-85(b) (1) and 15-85(b) (2) of the Business Brokers Act;
15. That Section 15-55(c) of the Loan Brokers Act provides, inter alia, that if the Secretary of State shall find that any person has violated any provision of this Act, the Secretary of State may, by written order temporarily prohibit or suspend such person from acting as a loan broker;
16. That Section 15-55(d) of the Loan Brokers Act provides, inter alia, that if the Secretary of State shall find any person is acting or has acted as a loan broker as defined in Section 15-5.15 of this Act, without prior thereto or at the time thereof having complied with the registration requirements of this Act, the Secretary of State may by written order prohibit such person from acting as a loan broker in the State;
17. That Section 10-55(c) of the Business Brokers Act provides, inter alia, that if the Secretary of State shall find that any person has violated any provision of this Act, the Secretary of State may, by written order temporarily prohibit or suspend such person from acting as a business broker;
18. That Section 10-55(d) of the Business Brokers Act provides, inter alia, that if the Secretary of State shall find any person is acting or has acted as a business broker as defined in Section 10-5.10 of this Act, without prior thereto or at the time thereof having complied with the registration requirements of this Act, the Secretary of State may by written order prohibit such person from acting as a business broker in the State;
19. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Loan Brokers Act, and to prevent losses to clients as a result of the referenced prior violation of this Act, to enter an order pursuant

Temporary Order of Prohibition

-4-

to the authority granted under Section 15-55(c) and Section 15-55(d) of this Act which prohibits Hudson and Hudson, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns from acting as a loan broker in the State of Illinois;

20. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Business Brokers Act, and to prevent losses to clients as a result of the referenced prior violation of this Act, to enter an order pursuant to the authority granted under Section 10-55(c) and Section 10-55(d) of this Act which prohibits Hudson and Hudson, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns from acting as a business broker in the State of Illinois; and
21. That based upon the credible evidence available to the Secretary of State, the entry of this Temporary Order is in the public interest and is consistent with the purposes of the Act.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 15-55(c) and Section 15-55(d) of the Loan Brokers Act as well as Section 10-55(c) and Section 10-55(d) of the Business Brokers Act, Hudson and Hudson, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, are hereby PROHIBITED from engaging in the business of loan brokering and business brokering in the State of Illinois until further order of the Secretary of State.

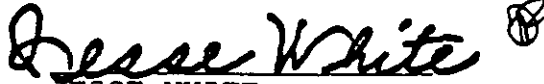
NOTICE is hereby given that the Respondent may request a hearing on this matter by transmitting such request in writing to Securities Director, Illinois Securities Department, 520 South Second Street, Suite 200, Springfield, Illinois 62701. Such request must be made within thirty (30) days of the date of entry of this Temporary Order. Upon receipt of a request for hearing, a hearing will be scheduled. Request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for ninety days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER ENTRY OF THIS TEMPORARY ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND CONSTITUTES SUFFICIENT BASIS TO MAKE THE TEMPORARY ORDER FINAL.

Temporary Order of Prohibition

-5-

ENTERED: This 9th day of June, 2004

Jesse White 

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Johan Schripsema
Illinois Securities Department
520 South Second Street, Suite 200
Springfield, Illinois 62701
Telephone: (217) 524-1688