

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: SALVATORE R. CALI and
SRC TECHNOLOGIES, INC,
their partners, officers and directors,
managers, agents, employees,
affiliates, successors and assigns.

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NOTICE OF HEARING

TO RESPONDENTS: SALVATORE R. CALI
5555 N. Sheridan Rd.
Unit 515
Chicago, IL 60640
and
SRC TECHNOLOGIES, INC.
109 Terra Firma Ln.
Volo, IL 60020

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 19th day of October 2016 at the hour of 10:00 a.m. or as soon thereafter as possible before James Kopecky, Esq. or such other designated Hearing Officer as the Secretary of State may appoint.

Said hearing will be held to determine whether a permanent Order shall be entered prohibiting Respondents Salvatore R. Cali and SRC Technologies, Inc. and their partners, officers and directors, agents and employees, affiliates, successors and assigns from offering or selling securities in or from the State of Illinois and/or granting such other relief as may be authorized under the Act, including but not limited to, the imposition of a monetary fine in the maximum amount pursuant to Sec. 11.E(4) of the Act, payable within ten (10) days of the Order.

The grounds for such proposed action are as follows:

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1. Respondent Salvatore R. Cali, has a last known address of 5555 N. Sheridan Rd., Unit 515, Chicago, IL 60640, and Respondent SRC Technologies, Inc. has a last known address of 109 Terra Firma Lane, Volo, IL 60020 (at times hereinafter "Respondents").
2. In July 2012 Respondents offered to sell \$20,000 worth of stock in Respondent corporation SRC Technologies, Inc. to each of two Illinois residents ("Investors").
3. In or near July 2012 each of the Investors paid Respondents \$20,000 to purchase the stock for a total of \$40,000 invested.
4. Respondents' activities described in paragraphs 2-3 involved the offer and sale of stock as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
5. Prior to Investors purchase of SRC Technologies, Inc. shares of stock Respondents promised Investors that their investment was "personally guaranteed" by Respondent Salvatore R. Cali, and in the event the corporation became insolvent, Investors would be refunded their invested funds.
6. The Investors both relied on the personal guarantees to make the decision to purchase the stock.
7. However, at the time of the personal guarantees made by Respondent Salvatore R. Cali, he had insufficient assets available to him to return the invested funds to the Investors in the event SRC Technologies, Inc. became insolvent.
8. Subsequently SRC Technologies, Inc became insolvent and the Investors demanded a refund of their investments.
9. Respondents failed to refund the investments because they were financially unable to do so.
10. Investors have received no return or refund from Respondents.
11. Respondents knew, or should have known, that Respondent Salvatore R. Cali was financially unable to return the invested funds to Investors.
12. Section 12.G of the Act provides, *inter-alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
13. By virtue of the foregoing, Respondents violated Section 12.G of the Act.

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You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default unless any Respondent has upon due notice moved for and obtained a continuance.

The Rules promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 30th day of September 2016.



JESSE WHITE
Secretary of State
State of Illinois

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