



## Amended Temporary Order of Prohibition

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5. The Investor gave JC a check in the amount of \$50,000 payable to Reeden, and purchased the Note.
6. The activities described above in paragraphs 4 and 5 constitute the offer and sale of a security 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").

### **FAILURE TO REGISTER SECURITIES**

7. Section 5 of the Act provides *inter alia* that all securities except those exempt under Section 3 or those offered and sold under Section 4 shall be registered either by coordination or by cooperation prior to their offer or sale in the State of Illinois.
8. Respondent failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the security was not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
9. Section 12.A of the Act provides *inter alia* that it shall be a violation for any person to offer and sell any security except in accordance with the provisions of the Act.
10. Section 12.D of the Act provides *inter alia* that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
11. By virtue of the foregoing Respondent has violated Sections 12.A and 12.D of the Act.

### **FRAUD IN SALE OF SECURITIES**

12. Reeden failed and refused to pay Investor any of the principal or interest due on the Note.
13. Respondent failed and refused to notify Investor of the near term risk involved in the purchase of the Note that could result in the immediate failure or refusal by Reeden to pay the Investor according to the terms of the Note.
14. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in

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connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.

15. 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 light of the circumstances under which they were made, not misleading.
16. By virtue of the foregoing, Respondent violated Sections 12.F and 12.G of the Act and will violate them again if he makes further offers, or if he makes any sales of Notes or other securities described above in the State of Illinois.
17. The aforementioned findings are based upon credible evidence.
18. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
19. The entry of this Temporary Order of Prohibition prohibiting Respondent, or his agents, affiliates, successors, employees, members and assigns from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent Juan Cahue, and his partners, officers and directors, agents, employees, affiliates, successors, managers and assigns are **Temporarily Prohibited** from offering or selling securities in or from this State until the further Order of the Secretary of State.


NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and will extend the effectiveness of this Temporary Order of Prohibition for sixty (60) days from the date the hearing request is received by the Department.

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

Dated: This 22<sup>nd</sup> day of August 2008.

  
JESSE WHITE  
Secretary of State  
State of Illinois

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