

**STATE OF ILLINOIS
SECRETARY OF STATE
DEPARTMENT OF SECURITIES**

IN THE MATTER OF: WALTER KNITTER AND)
MILLENNICOM, INC.)
_____))

File No: C0000100

NOTICE OF HEARING

TO THE RESPONDENTS:

Walter Knitter
303 South President Street
Wheaton, Illinois 60187

Millennicom, Inc.
1755 South Naperville Road, Suite 100
Wheaton, Illinois 60187

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 (the "Rules"), a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 2nd day of April 2003, at 10:00 am, or as soon thereafter as counsel may be heard, before Richard M. Cohen, Esq., or another duly designated Hearing Officer of the Secretary of State.

This hearing will be held to determine whether an Order should be entered pursuant to Section 11.E of the Act prohibiting Respondent from acting as a dealer in the State of Illinois and/or granting such other relief as may be authorized under the Act, including but not limited to imposition of a monetary fine in the maximum amount pursuant to 11.E(4) of the Act, payable within ten (10) days of the Order.

The grounds for such proposed action are as follows:

COUNT I
Fraud and Deceit

1. Walter Knitter ("WK") is an individual whose last known address is 303 South President Street, Wheaton, Illinois 60187.

2. Millennicom, Inc. ("Millennicom") is a business entity whose principal place of business is 1755 South Naperville Road Suite 1100, Wheaton, Illinois 60187. At all relevant times WK was the principal of Millennicom. Millennicom offered and sold promissory notes to members of the general public.
3. From January, 2000 to August, 2000, (the "Period") Respondent based Millennicom's business activities in Illinois. During the Period, Respondents managed their funds at the Harris Bank located at 10500 West Cermak, Westchester, Illinois "(Harris Account)".
4. During the Period, Millennicom deposited more than one million dollars into the Harris Account. The funds deposited into the Harris Account were acquired from Investors who purchased promissory notes from Millennicom during the Period.
5. Millennicom promised to pay to the Investors an annual interest rate of 11.9% for a nine month term ("Term"). Millennicom also promised the Investors that at the conclusion of the Term each investor would receive their principal in its entirety from Millennicom. However, Millennicom failed to disclose to the Investors that there was a reasonable prospect that they might not be repaid. In fact, Millennicom falsely stated that the notes were guaranteed by U.S. Treasury Securities which were held by various insurance companies. By promising a high return, Millennicom induced the Investors to purchase the promissory notes, while failing to inform the investors that they might not be able to repay the principal or pay the interest.
6. During the Period most of the investors received a few of their monthly interest payments from Millennicom. After receiving a few interest payments, the investors stopped receiving their monthly interest payments. To date, none of the investors has received their principal repayment from Millennicom as promised.
7. Respondent's activities described in paragraphs 3-5 involve the offer and sale of investment contracts and therefore securities as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Act.
8. Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of this Act.
8. 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 connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
9. By virtue of the foregoing, Respondents violated Sections 12.A and 12.F of the Act.

COUNT II
Obtaining Money through the Sale of
Securities by Means of Untrue Statement or
Omission of Material Fact

- 1-6. Paragraphs 1-6 of Count I are realleged and incorporated by reference as paragraphs 1-6 of Count II and are fully set forth herein.
7. 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.
8. By virtue of the foregoing, Respondents violated Section 12.G of the Act.

COUNT III
Device, Scheme or Artifice to Defraud

- 1-6. Paragraphs 1-6 of Count I are realleged and incorporated by reference as paragraph 1-6 of Count III.
7. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
8. By virtue of the foregoing, Respondents violated Section 12.I of the Act.

You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, a Special Appearance pursuant to Section 1107 of the Rules, or other responsive pleading within thirty (30) days of the receipt of this notice. Your failure to do this within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default by you.

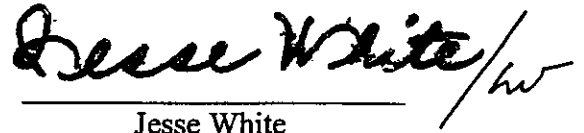
A copy of the Rules promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department is included with this Notice.

Notice of Hearing

- 4 -

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

Dated: This 31st day of January, 2003.

A handwritten signature in black ink that reads "Jesse White" followed by a slanted line and the initials "hw".

Jesse White
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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Hearing Officer:

Richard M. Cohen

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