

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: THE NATIONAL CAPITAL COMPANIES,)
INC., ITS OFFICERS, DIRECTORS,) File No. 0200054
EMPLOYEES, AGENTS, AFFILIATES,)
SUCCESSORS AND ASSIGNS)

NOTICE OF HEARING

TO THE RESPONDENT: The National Capital Companies
18952 MacArthur Blvd., Suite 350
Irvine, CA 92612

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953, [815 ILCS 5/1 et seq.] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 520 South Second Street, Suite 200, Springfield, Illinois 62701, on the 15th day of October, 2003 at the hour of 9:00 a.m., or as soon thereafter as counsel may be heard, before Jon Ellis, or such other duly designated Hearing Officer of the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Notice.

Said hearing will be held to determine whether an Order of Prohibition should be entered against The National Capital Companies, its officers, directors, employees, agents, affiliates, successors and assigns (the "Respondent") in the State of Illinois and 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 Section 11 of the Act, payable within ten (10) days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That National Capital Companies is a purported business entity located at 18952 MacArthur Blvd., Suite 350 Irvine, CA 92612.
2. That National Capital, L.L.C. is a subsidiary of National Capital Companies.
3. That the Illinois Securities Department on or about August 2, 2002 sent a request for information pursuant to Section 11.C of the Act.

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4. That as of the date of this Notice Hearing no response to the August 2, 2002 letter has been received.
5. That Section 11.C of the Act provides, inter alia, that whenever it shall appear to the Secretary or State that the Act may have been violated he may require or permit the person to file with the Secretary of State a statement in writing under oath as to all facts and circumstance concerning the matter which the Secretary of State believes to be in the public interest to investigate.
6. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document required to be filed under any provision of the Act.
7. That by virtue of the foregoing, the Respondent, National Capital Companies, by and through its officers, directors, employees, agents, affiliates, successors and assigns, has violated Section 12.D of the Act.
8. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State.
9. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act.
10. That by virtue of the foregoing, the Respondent, National Capital Companies, is subject to a fine of up to \$ 10,000.00 per violation and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

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 or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations

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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 so appear shall constitute default.

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.

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

Dated this 18th day of July, 2003.



Jesse White
Jesse White
Secretary of State
State of Illinois



Attorney for the Secretary of State:
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Hearing Officer:
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