

STATE OF ILLINOIS
STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: CASH LINK SYSTEMS, INC.,
ITS OFFICERS, DIRECTORS,
EMPLOYEES, AFFILIATES, SUCCESSORS,
AGENTS AND ASSIGNS,)
)
) File No. 0400536
)
)

NOTICE OF HEARING

TO THE RESPONDENT: Cash Link Systems, Inc.
Michael Quilling, Receiver
2001 Bryan Street, Suite 1800
Dallas, Texas 75201

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 300 West Jefferson Street, Suite 300A Springfield, Illinois 62702 on the 20th day of April, 2005, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. 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 Cash Link Systems, Inc., its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, 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:

Count I: Violation of 12.A and 12.D

- 1 That Respondent, Cash Link Systems, Inc. (Hereinafter, "Cash Link"), is a purported business entity, with a last known address of 2001 Bryan Street, Suite 1800, Dallas, Texas 75201;

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2. That on or about March 31, 2004, Cash Link, its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, offered and sold to at least one (1) Illinois resident, three ATM machines for a total investment of \$12,858; Cash Link, by and through its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, represented that they would assist the Illinois resident in placement and location of said ATM machines, that in return for said investment, the Illinois resident would receive \$1.10 for each transaction made on said ATM machines and that the Illinois resident could make up to \$4,000 per month as a result of said transactions;
3. That the above referenced investment program is an investment contract and is a security as the term is defined pursuant to Section 2.1 of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
4. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
5. That 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 securities except in accordance with the provisions of the Act;
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 or application required to be filed under the provisions of the Act;
7. That at all times relevant hereto, Cash Link, its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
8. That by virtue of the foregoing, Cash Link, its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, has violated Sections 12.A and 12.D of the Act;
9. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is

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engaging or has engaged in the business of selling or offering for sale securities as a dealer or salesperson without prior thereto and at the time thereof having complied with the registration or notice filing requirements of this Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;

10. 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;
11. 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, charge as costs of investigation all reasonable expenses, and issue an order of public censure;
12. That by virtue of the foregoing, the Respondent Cash Link Systems, Inc., its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, is subject to a fine of up to \$10,000.00 per violation, costs of investigation, an order of public censure, and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

Count II: Violation of 12.F

- 1-3. Paragraphs 1-3 of Count I are re-alleged and incorporated as paragraphs 1-3 of this Count II;
4. That as of this date, Cash Link has failed to assist the Illinois resident in the placement of the aforesaid ATM machines, nor has the Illinois resident received a return of any kind for said investment; furthermore, on or about June, 2004, the Illinois resident discovered Cash Link's last known phone number had been disconnected and therefore has been unable to contact Cash Link in this regard;
5. That 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 of purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof;

6. That at all times relevant hereto, Respondent Cash Link, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, engaged in a transaction, practice or course of business in connection with the sale or purchase of securities which tended to work a fraud or deceit on the purchaser, in that Respondents represented to the Illinois resident that he would receive \$1.10 per transaction, that he could make up to \$4,000 per month from said transactions and that Cash Link would assist him in the location and placement of said ATM machines, when in fact the Illinois resident never received a return of any kind for his investment, Cash Link failed to assist him in placement and location of any of the aforesaid ATM machines, and the Illinois Resident has attempted to contact Respondent in this regard without success;
7. That by virtue of the foregoing, Respondent Cash Link Systems, Inc., its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, have violated Section 12.F of the Act;
8. That Section 11.E(1) of the Act provides, inter alia, that if the Secretary of State shall find that the offer or sale or method of offer or sale of any securities by any person, whether exempt or not, in this State, is fraudulent, or would work or tend to work a fraud or deceit, the Secretary of State may by written order prohibit the offer or sale of securities by that person in this State;
9. 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 F 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;
10. 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, charge as costs of investigation all reasonable expenses, and issue an order of public censure;

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11. That by virtue of the foregoing, the Respondent Cash Link Systems, Inc., its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, is subject to a fine of up to \$10,000.00 per violation, costs of investigation, an order of public censure, and an order which permanently prohibits the Respondents 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 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 3rd day of March, 2005.



Jesse White
Jesse White
Secretary of State
State of Illinois

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