

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: USA PROPERTIES OF ILLINOIS, INC.)
ITS OFFICERS, DIRECTORS,) File No. 0400773
EMPLOYEES, AFFILIATES, SUCCESSORS,)
AGENTS AND ASSIGNS AND ZIA AHMED)

NOTICE OF HEARING

TO THE RESPONDENTS: USA Properties of Illinois, Inc.
Zia Ahmed
39W 032 Johnson Road
St. Charles, Illinois 60175

C/o Allan L. Garrow
Nealis and Garrow
510 S. Batavia Ave.
Batavia, Illinois 60510

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 W. Jefferson St., Suite 300A, Springfield, Illinois 62702, on the 16th day of May, 2007 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 USA Properties of Illinois, Inc., its officers, directors, employees, agents, affiliates, successors and assigns and Zia Ahmed (the "Respondents") 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.

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The grounds for such proposed action are as follows:

1. USA Properties of Illinois, Inc. ("USA Properties") is an Illinois registered corporation incorporated June 2, 2004.
2. Zia Ahmed is the President and registered agent of USA Properties of Illinois, Inc.
3. On or about September 18, 2004, USA Properties and Zia Ahmed offered and sold to JD, an Illinois resident, for \$50,000, a Single Deferred Note for a term of 5 years, with an interest rate of 6% and offering withdrawals of funds after the first year not to exceed 10% with a 5% penalty for withdrawals over 10%.
4. Zia Ahmed told JD that USA Properties was in the business of commercial property transactions and that the investment would be used for buying and selling commercial properties.
5. Zia Ahmed failed to disclose to JD that USA Properties had been incorporated for only 3 months at the time of issuance of the Note described above.
6. On or about May 8, 2006, USA Properties and Zia Ahmed offered and sold to JZ and LZ, Illinois residents, husband and wife both over the age of 80 at the time of sale, two 10 year Notes with a stated interest of 6% per year for the first note and 6.5% for the second. The first note was in the amount of \$65,000 and dated May 10, 2006 and the second was in the amount of \$80,000 and dated June 7, 2006.
7. In return for the Notes, JZ and LZ provided a check to Zia Ahmed and USA Properties for \$145,000. The funds for this check and investment came from the sale of variable annuity they owned and which Zia Ahmed recommended they sell in order to invest with him and USA Properties, Inc. Zia Ahmed's recommendation to sell JZ and LZ's Variable Annuity resulted in an early surrender penalty of \$9,295.18.
8. Zia Ahmed failed to disclose to JZ and LZ that by selling their variable annuity early and investing the proceeds with USA Properties they would immediately lose \$9,295.18 of their retirement funds.

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9. After JZ and LZ invested in USA Properties, their daughter KG asked Zia Ahmed for an update on the investment. Zia Ahmed told her "Don't worry, the investment has already made \$40,000 in the first three months."
10. The above-referenced Notes are securities as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act").
11. 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.
12. 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 the Act.
13. 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 provision of the Act.
14. Section 12.F of the Act provide, inter alia, that it shall be a violation of the Act for any person to engage in nay 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.
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 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.
16. At all times relevant hereto, USA Properties of Illinois, Inc. and its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns and Zia

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Ahmed failed to register their securities prior to their offer and sale in the State of Illinois.

17. That by virtue of the foregoing, USA Properties of Illinois, Inc., its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns and Zia Ahmed have violated Sections 12.A , 12.D, 12.F and 12.G of the Act.
18. Section 11.F.(2) of the Act provides, inter alia, that the Secretary of State may temporarily suspend or prohibit the offer or sale of securities by any person if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act.
19. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsections D, F or G 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.
20. 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.
21. That by virtue of the foregoing, the Respondents, USA Properties of Illinois, Inc. and its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns and Zia Ahmed, are subject to a fine of up to \$10,000.00 per violation, an order of 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

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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.

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

Dated this 23rd day of April, 2007.



Jesse White
Secretary of State
State of Illinois

Attorney for the Secretary of State:
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Hearing Officer:
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