

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: QUANTUM BIOMOD CORPORATION )  
LTD., ITS OFFICERS AND DIRECTORS, AGENTS, )  
EMPLOYEES, AFFILIATES, SUCCESSORS AND ASSIGNS, )  
and DAVID A. GOODMAN, individually. )  
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FILE NO. 0400601

CONSENT ORDER OF PROHIBITION and FINE

TO RESPONDENTS:       Quantum Biomod Corporation  
                              c/o David A. Goodman  
                              2614 North Clybourn Avenue, Suite 201  
                              Chicago, Illinois 60614

                              David A. Goodman  
                              2505 Hunder Road  
                              Arlington Heights, Illinois 60004

                              c/o Henry S. Samuels  
                              Attorney at Law  
                              Samuels & Bernstein  
                              491 Laurel Avenue  
                              Highland Park, Illinois 60035

WHEREAS, on December 7, 2009, Quantum Biomod Corporation by and through its President David Goodman and David Goodman ("Respondents") executed a Stipulation to Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, on the 5<sup>th</sup> day of April, 2007, an Amended Notice of Hearing (the Notice") had been issued.

WHEREAS, the Respondents neither admit nor deny the averements contained in the Notice.

WHEREAS, by means of the Stipulation, Respondents Quantum Biomod Corporation and David Goodman, have admitted to the jurisdiction of the Secretary of State in this matter and Respondents Quantum Biomod Corporation and David

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Goodman Respondents Quantum Biomod Corporation and David Goodman have consented to the entry of this Consent Order ("Consent Order").

WHEREAS, by means of the Stipulation, Respondents Quantum Biomod Corporation and David Goodman have acknowledged, without admitting or denying the truth thereof, that the following allegations of the Amended Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

**Unregistered Securities**

1. That Respondent Quantum Biomod Corporation (hereinafter "Quantum"), an Illinois corporation, maintained a business address at 2614 North Clybourn Avenue, Suite 201, Chicago, Illinois 60614.
2. That Respondent David A. Goodman, President of Quantum (hereinafter "Goodman", and collectively with Quantum "Respondents"), maintains a residence address at 1951 North Hicks Road, Palatine, Illinois 60674.
3. That between on or about November and December 2001, Goodman as representative of Quantum approached more than one Illinois resident (Investors) and pursued a relationship with them for the purpose of selling the Investors shares of Stock issued by Quantum at the price of \$10,000 for two thousand shares (the "Offering").
4. That the Respondents provided a detailed "Executive Summary" ("Summary") about Goodman and Quantum, which included in the Company background that it was "created in 2001 to leverage the extraordinary talents and skills the founder... Goodman..." The Summary in part touted that "Quantum BioMod isolates target receptors for the development of biomedical products..." That through the "use of its quantum computing systems operating at tens of thousands of iterations greater than today's technologies and biological systems." And that "Quantum BioMod Corp has already produced 55,000 various new multidimensional target receptors, each with a retail value of \$1.6 million. This creates an inventory with a representative value of \$88 billion if all are sold."
5. That in about December 2001, subsequent to the foregoing solicitation, the Respondents sold to each of the Investors 2,000 shares of common stock on the Offering at the purchase price of ten thousand (\$10,000.00) dollars. Respondent Goodman requested the Investors to back date the checks to November 5, 2001.

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6. That the activities described in paragraphs 3 through 5 above constitute the offer and sale of Stock and therefore 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").
7. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
8. That Respondents failed to file with the Secretary of State an application for registration of the investment opportunity 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 its offer in the State of Illinois.
9. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
10. That 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. That by virtue of the foregoing, Respondents have violated Sections 12.A and 12.D of the Act.
12. That Section 11.E(1) of the Act provides, inter alia, that if the Secretary of State shall find that the offer and sale of any securities in this State is in violation of Section 12 of the Act, the Secretary of State shall by written order prohibit the offer or sale of such securities.
13. That by virtue of the foregoing, Respondent Quantum Biomod Corporation, its agents, affiliates and employees, are subject to an Order permanently prohibiting it from offering or selling securities issued or issuable by Quantum Biomod Corporation in the State of Illinois.
14. That by virtue of the foregoing, Respondent David A. Goodman, individually is subject to an Order permanently prohibiting him from offering or selling any securities in the State of Illinois.
15. That Section 11.E(4) provides, inter alia, that in addition to any other sanction or remedy contained in subsection E, the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine

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as provided by rule, regulation or order against the violator not to exceed \$10,000, and may issue an order of public censure against the violator.

16. That by virtue of the foregoing, Respondents are subject to an order of public censure, a fine not to exceed \$10,000 for each violation, and the costs of investigation.

### Fraudulent Practices

17. That Respondent Goodman touted himself in the Quantum BioMod Corporation Executive Summary by advertising and circulating that he received advanced degrees in Astrophysics, Biology, Chemistry, Mathematics, and Physics in 1992, and Doctorates in Mathematics, Physics and Archaeology.
18. That Respondent Goodman does not possess the totality of degrees he claimed in the Quantum BioMod Corporation Executive Summary he had circulated in order to hype the sale of the securities referred to in paragraph 15 of Count I.
19. That Section 12.G of the Act provides, inter alia, that it shall be a violation of the provisions of the Act 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 the light of the circumstances under which they were made, not misleading.
20. That Section 12.I, of the Act provides, inter alia, that it shall be a violation of the provisions of the Act to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
21. That by virtue of the foregoing activities described in paragraphs seventeen and eighteen (17 & 18) Respondents violated sections 12.G, and 12.I of the Act.
22. That Section 11.E(4) provides, inter alia, that in addition to any other sanction or remedy contained in subsection E, 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 against the violator not to exceed \$10,000, and may issue an order of public censure against the violator.
23. That by virtue of the foregoing, Respondents are subject to an order of public censure, a fine not to exceed \$10,000 for each violation, and the costs of investigation.

**Failure to Respond to an 11.C**

24. That on December 21, 2006, the Department issued a letter pursuant to Section 11.C of the Act (the "11.C Letter"), wherein the Department requested that Respondents file an affidavit setting forth, among other things, the following information:
- 1) Copies of all promotional literature or other documents related to the offer or sale of the referenced securities to Illinois residents between November 3, 2001 and the present date.
  - 2) A notarized affidavit setting forth the following:
    - a. A statement detailing the manner in which prospective investors' names are or were obtained.
    - b. A statement detailing the manner in which prospective investors are or were initially contacted.
    - c. A statement detailing the names, addresses and telephone numbers of all Illinois residents who were offered the referenced securities between November 3, 2001 and the present date;
    - d. A statement detailing the names, addresses and telephone numbers of all Illinois residents who were sold the referenced securities between November 3, 2001 and the present date;
    - e. A statement detailing each transaction in the referenced securities that was sold to an Illinois resident between November 3, 2001 and the present date, including: the names, addresses and telephone numbers of all Illinois residents who purchased; and the date of each transaction, the quantity, price, and transactional amount.
    - f. A statement detailing the names and addresses of all individuals acting on behalf of Quantum Biomod Corporation who offered or sold the referenced securities to the Illinois residents listed in response to questions #'s 2.c-d above.
    - g. A statement detailing on a transactional basis commissions paid, either directly or indirectly, to those individuals who

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sold the referenced securities to the Illinois residents listed in response to question #2.d above.

- h. A statement detailing on a transactional basis any claim of exemption from registration for any offer or sale of securities to an Illinois resident between November 3, 2001 and the present date.
- 3) Certified copies of degrees received in Astrophysics, Biology, Chemistry, mathematics, and Physics in 1992, as touted the Quantum BioMod Corporation Executive Summary. Please also provide certified copies of Doctorates in Mathematics, Physics and Archaeology if different than the degrees referred to in the preceding sentence.
- 25. That Respondent personally signed the certified mail receipt acknowledging receipt of the 11.C letter, but failed to respond as required by Section 12.D of the Act.
- 26. That 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.
- 27. That by virtue of the foregoing activities described in paragraphs twenty-four and twenty-five (24 & 25) the Respondents have violated Section 12.D.
- 28. That Section 11.E(4) provides, inter alia, that in addition to any other sanction or remedy contained in subsection E, 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 against the violator not to exceed \$10,000, and may issue an order of public censure against the violator.
- 29. That by virtue of the foregoing, Respondents are subject to an order of public censure, a fine not to exceed \$10,000 for each violation, and the costs of investigation.

WHEREAS, by means of the Stipulation, Quantum Biomod Corporation by and through its President David Goodman and David Goodman have acknowledged, without admitting or denying the averments, that the following allegations in the Amended Notice of Hearing shall be adopted as the Secretary of State's Conclusions of Law:

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Respondents have violated Sections 12.A, 12.D, 12.G, and 12.I of the Illinois Securities Law of 1953 (815 ILCS 5/1 *et seq.*);

Respondents Quantum Biomod Corporation and David Goodman are each subject to an order that permanently prohibits them from offering and/or selling securities in or from the State of Illinois, in accordance with Sections 11.E(2) and 11.F(1) of the Act;

Respondents are subject to a fine in accordance with Section 11.E(4) of the Act.

WHEREAS, Section 11.F(6) of the Act provides that the Secretary of State, after notice and opportunity for a hearing may, in his discretion, enter into an agreed settlement, stipulation or consent order in accordance with the provisions of The Illinois Administrative Procedures Act, as amended;

WHEREAS, the Secretary of State, by and through his authorized representative, has determined that the matter may be dismissed without further proceedings

**NOW, IT SHALL BE AND IS HEREBY ORDERED THAT:**

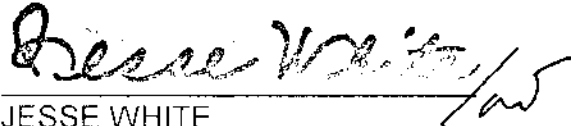
1. Respondent Quantum Biomod Corporation, its affiliates, employees, successors and assigns, are permanently **PROHIBITED** from offering or selling securities in the State of Illinois.
2. Respondent David Goodman is permanently **PROHIBITED** from offering or selling securities in the State of Illinois.
3. Respondents Quantum Biomod Corporation and David Goodman shall be and are fined jointly and severably Ten Thousand dollars (\$10,000.00) for each violation of the Act, for a total sum of Fifty Thousand Dollars (\$50,000.00).
4. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

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5. The Department shall retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions of the Stipulation referenced herein.

Entered This 11<sup>th</sup> day of December, 2009.



JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman  
Office of the Illinois Secretary of State  
Illinois Securities Department  
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312-793-3988

**NOTICE:** Failure to comply with the terms of this Order shall be violation of Section 12.D of the Act. Any person or entity that fails to comply with terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offense.

This is final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-10 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.