

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: CAPITAL DEVELOPMENT GROUP,)
LLC, EAG CAPITAL HOLDINGS, INC., THEIR OFFICERS)
AND DIRECTORS, AGENTS, EMPLOYEES, AFFILIATES,)
SUCCESSORS AND ASSIGNS, AND ALEX FIELD AND)
GARY FISHKIN, and EDWARD RENKO, INDIVIDUALLY)
_____)

FILE NO. 0900017

NOTICE OF HEARING

TO RESPONDENTS: Capital Development Group, LLC
3100 Dundee Road, Suite 107
Northbrook, Illinois 60062

EAG Capital Holdings, Inc.
3100 Dundee Road, Suite 107
Northbrook, Illinois 60062

Alex Field, President
EAG Capital Holdings, Inc.
3100 Dundee Road, Suite 107
Northbrook, Illinois 60062

Gary Fishkin, Vice-President
Capital Development Group, LLC
3100 Dundee Road, Suite 107
Northbrook, Illinois 60062

Edward Renko, CEO
EAG Capital Holdings, Inc.
3100 Dundee Road, Suite 107
Northbrook, Illinois 60062

You are hereby notified that pursuant to Section 11.F of The Illinois Securities Law of 1953, as amended, Ch. 815 ILCS 5/1, et seq. (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 20th day of May, 2009, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before James L. Kopecky, or another duly

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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 a permanent Order of Prohibition should be entered against Capital Development Group, EAG Capital Holdings, Inc., Alex Field, Gary Fishkin and Edward Renko individually, their officers agents, employees, sales representatives, and affiliates, the ("Respondents"), and/or granting such other relief as may be authorized under the Act including, but not limited to, censure and the imposition of a monetary fine in the maximum amount of \$10,000 per violation, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

COUNT I Unregistered Securities

1. That Respondent Capital Development Group, LLC., an Illinois Limited Liability Company ("Capital"), maintained a business address at 3100 Dundee Road, Suite 107, Northbrook, Illinois 60062.
2. That Respondent EAG Capital Holdings, Inc., an Illinois Corporation Company ("EAG"), maintained a business address at 3100 Dundee Road, Suite 107, Northbrook, Illinois 60062.
3. That Respondent Edward Renko, ("Renko") maintained a business address at 3100 Dundee Road, Suite 107, Northbrook, Illinois 60062.
4. That Respondent Alex Field ("Field"), maintained a business address at 3100 Dundee Road, Suite 107, Northbrook, Illinois 60062.
5. That Respondent Gary Fishkin ("Fishkin"), collectively with Respondents Capital, EAG, Renko, and Field ("Respondents") maintained a business address at 3100 Dundee Road, Suite 107, Northbrook, Illinois 60062.
6. That on or about August 1, 2005, or thereabouts, Fishkin a representative of Respondents approached an Illinois resident ("Investor") and pursued a relationship with him for the purpose of selling the Investor a \$100,000.00 promissory note ("Note") issued by Capital.
7. That in exchange for the \$100,000.00, Fishkin offered the investor the principal back plus interest of twelve per cent per annum compounded quarterly on the one-year anniversary of the Note.
8. That subsequent to the foregoing solicitation, on August 1, 2005 the Investor purchased the Note, printed on an EAG, form, from Capital with the expectation that he would receive a return of twelve per cent (12%)

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per annum compounded quarterly, payable at the end of the term, along with repayment of the principal.

9. That on or about August 1, 2006 Respondents issued a new \$100,000. Note executed by EAG to Investor to replace the maturing Note issued by Capital, for a one year period under the same terms and conditions as the earlier Note; and on about August 2007 EAG renewed Investors' Note for an additional year.
10. That on or about August 1, 2008, Respondents issued a new \$100,000. Note executed by EAG to Investor on slightly different terms, in an amount of \$112,000.00 adding interest past due and a clause that the one year note could be accelerated for repayment of principal and interest upon 30 days written notice of the Holder (Investor).
11. That the activities described in paragraphs 6 through 10 above constitute the offer and sale of a Note 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").
12. 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.
13. 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 or sale in the State of Illinois.
14. 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.
15. 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.
16. That by virtue of the foregoing, Respondents have violated Sections 12.A and 12.D of the Act.

COUNT II
Fraudulent Practices

- 1-24. That paragraphs one (1) through sixteen (16) of Count I are re alleged and incorporated herein as paragraphs one (1) through sixteen (6) of this Count II.
17. That on or about August 1, 2008, Respondents renewed the Investor's Note on slightly different terms after representations by Respondents through Fishkin that EAG was in good financial condition, received additional capital from investors and their large development, the Center for the North Shore in Northbrook, had just been approved.
18. That in fact one of Respondents' developments had notes due in excess of twenty five million (25,000,000.00) on or about September 4, 2008, on which they were about to default.
19. That in August and September 2008 the Investor left messages, pursuant to the acceleration clause, in person and via phone requesting payment of the interest accrued on the Note. By October 2008 the Investor on several occasions had requested Respondents to repay all of the principal and interest pursuant to the terms of the Note.
20. In December 2008, Respondents advised the Investor that his funds would be available to him in January 2009. But on January 5, 2009 when the Investor went to Respondents' office it was closed for business.
21. That Section 12.F of the Act provides that it shall be a violation of the Act to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which work or tends to work a fraud or deceit upon the purchaser.
22. That Pursuant to Section 12.G of the Act, it is a violation 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.
23. That Respondents knew or should have known of risks to EAG's obligation to repay the Investor the promised return not later than August 1, 2009 or earlier pursuant to the acceleration clause, but failed and refused to disclose such risks to Investor, and to the contrary indicated that EAG was in good financial condition.
24. That by virtue of the foregoing, Respondents have violated Sections 12.F and 12.G of the Act.

COUNT III
Failure to Respond to an 11.C

- 1-24. That paragraphs one (1) through twenty-five (25) of Count II are re alleged and incorporated herein as paragraphs one (1) through twenty-five (25) of this Count III.
25. That on December 29, 2009, 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 [3 years ago] 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 [3 years ago] 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 [3 years ago] and the present date;
 - e. A statement detailing each transaction in the referenced securities that was sold to an Illinois resident between [3 years past] 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 Innova Management Group, L.L.C. who offered or sold the referenced securities to the Illinois residents listed in response to questions ##2.c-d above.

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- g. A statement detailing on a transactional basis commissions paid, either directly or indirectly, to those individuals who 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 [3 years ago] and the present date.
- 26. That Respondent personally signed the certified mail receipt and acknowledged receipt of the 11.C letter.
 - 27. That Respondents responded to said 11.C letter stating they never sold any securities, but failed to file a statement (a) under oath and (b) addressing the facts and circumstances concerning the subject matter set forth in paragraph 25(1) and (2).
 - 28. 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.
 - 29. That by virtue of the foregoing the Respondents have violated Section 12.D of the Act.
 - 30. 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.
 - 31. That by virtue of the foregoing, Respondents are subject to an order of public censure and a fine not to exceed \$10,000 for each violation.

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 within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

You are also notified, pursuant to the Regulations under the Act of 1953 as amended, Subpart K., Procedures for administrative Hearings; which includes in part: "That by requesting a hearing the respondent agrees to a tolling of the time limitation on the effectiveness of the Temporary Order or Prohibition or Suspension for 60 days from the date the request is received by the Department."

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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, unless any Respondent has upon due notice moved for and obtained a continuance.

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 Respondent.

Dated: This 27th day of March, 2009.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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