

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: DANIEL E. THOMASON AND  
KIMMIE J. THOMASON

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) FILE NO. 0200539  
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NOTICE OF HEARING

TO THE RESPONDENTS: Daniel E. Thomason  
Kimmie J. Thomason  
2408 N. Elmwood  
Peoria, Ill 61604

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 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 Daniel E. Thomason and Kimmie J. Thomason 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 Section 12.A)

1. That Daniel E. Thomason and Kimmie J. Thomason are Illinois residents with a last known address of 2408 N. Elmwood Peoria, Ill. 61604;
2. That Kimmie J. Thomason, AKA Kimmie Joe Rusk, is the owner of a horse (mare) named IMA CUTTERS DREAM which is purported to be a registered mare;

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3. That on or about early June 2000, Daniel E. Thomason using the alias J.D. Carter met with an Illinois resident, Tom Roepke, and offered an investment in which Roepke would pay \$6,000. In return Roepke would become half owner in the mare IMA CUTTERS DREAM. Daniel E. Thomason further represented that Roepke's investment would be used to pay stud fees and to purchase cattle. Daniel E. Thomason also provided a written document illustrating that if the resulting offspring from IMA CUTTERS DREAM were trained and sold, Roepke could earn, in a 20 year period by breeding and selling the offspring and cattle, \$90,000 to \$1.5 Million;
4. That on or about June 23, 2000, Thomas Roepke paid \$4,000 and received a receipt stating that he had paid \$6,000 (He was to pay the remaining balance later) and that he was half owner in IMA CUTTERS DREAM;
5. That Daniel E. Thomason and Kimmie J. Thomason have offered the above-described investment program to at least one other person;
6. That the above-described investment program is an investment contract and is a security 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");
7. 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;
8. 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;
9. That at all times relevant hereto, Daniel E. Thomason and Kimmie J. Thomason 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;

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10. That by virtue of the foregoing, the Respondents Daniel E. Thomason and Kimmie J. Thomason, have violated Section 12.A of the Act;
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; and
12. That by virtue of the foregoing, Daniel E. Thomason and Kimmie J. Thomason are subject to a fine of up to \$10,000.00 per violation.

Count II (Violation of Section 12.D)

7. Paragraphs 1 through 7 of Count I are re-alleged and incorporated as paragraphs 1 through 7 of this Count II;
8. 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 provision of the Act;
9. That at all times relevant hereto, Daniel E. Thomason and Kimmie J. Thomason 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;
10. That by virtue of the foregoing, the Respondents, Daniel E. Thomason and Kimmie J. Thomason have violated Section 12.D of the Act;
11. 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;
12. 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

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order not to exceed \$10,000.00 for each violation of the Act; and

13. That by virtue of the foregoing, Daniel E. Thomason and Kimmie J. Thomason are subject to a fine of up to \$10,000.00 per violation and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

Count III (Violation of Section 12.C)

- 1-6. Paragraphs 1 through 6 of Count I are re-alleged and incorporated as paragraphs 1 through 6 of this Count III;
7. That section 8.A. of the Act states, inter alia, that, except as otherwise provided in subsection A, every salesperson shall be registered as such with the Secretary of State;
8. That Respondents, Daniel E. Thomason and Kimmie J. Thomason, are not registered in Illinois as salespersons during the relevant time period of the sale of a security in the State of Illinois;
9. That Section 12.C of the Act states, inter alia, that it shall be a violation of the Act for any person to act as a salesperson unless registered as such, where such registration is required;
10. That by virtue of the foregoing, Daniel E. Thomason and Kimmie J. Thomason have violated Section 12.C of the Act;
11. 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 C 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;
12. 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; and

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13. That by virtue of the foregoing, Daniel E. Thomason and Kimmie J. Thomason are subject to a fine of up to \$10,000.00 per violation 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.

ENTERED: This 5<sup>th</sup> day of August, 2003

Jesse White DP  
Jesse White  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:  
David Finnigan  
Illinois Securities Department  
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520 South Second Street  
Springfield, Illinois 62701

Hearing Officer:  
Jon K. Ellis  
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