

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: BONNIE ARNEL,)
HER OFFICERS, DIRECTORS,) File No. 0200853
EMPLOYEES, AGENTS, AFFILIATES,)
SUCCESSORS AND ASSIGNS)

NOTICE OF HEARING

TO THE RESPONDENT: Bonnie Arnel
5012 Staten Drive
Godfrey, Illinois 62035

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 19th day of March, 2003 at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before a 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 Bonnie Arnel, her officers, directors, employees, agents, affiliates, successors and assigns (the "Respondent") 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:

1. That the Respondent, Bonnie Arnel maintains a last known business address of 5012 Staten Drive, Godfrey, Illinois 62035.
2. That on or about March 20, 2001, Bonnie Arnel offered and sold to at least one (1) Illinois resident, shares of unnamed stock under an entity entitled "Coop-Bus.Mbership" in return for an investment in the amount of \$500.00;

Notice of Hearing

-2-

3. That the above-referenced shares of stock are securities as that term is defined pursuant to Section 2.1 of the Illinois Securities Law [815 ILCS 5/1 et seq.] (the "Act").
5. That Section 5 of the Act provides, inter alia, that all securities except those set forth under Section 2a, or those exempt under Section 3, 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.
6. That at all times relevant hereto, the aforementioned shares of stock sold to Illinois residents were not registered with the Secretary of State pursuant to Section 5 of the Act prior to their offer or sale in the State of Illinois.
7. 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 any securities except in accordance with the provisions of the Act.
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 required to be filed under any provision of the Act.
9. That at all times relevant hereto, the Respondent, Bonnie Arnel, by and through her 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.
10. That by virtue of the foregoing, the Respondent, Bonnie Arnel, by and through her officers, directors, employees, agents, affiliates, successors and assigns, has violated Sections 12.A and 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

Notice of Hearing

-3-

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.
13. That by virtue of the foregoing, the Respondent, Bonnie Arnel, is subject to a fine of up to \$ 10,000.00 per violation and an order which permanently prohibits the Respondent 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 7th day of February, 2003.



Jesse White
Secretary of State
State of Illinois

Notice of Hearing

-4-

Attorney for the Secretary of State:
Johan Schripsema
Illinois Securities Department
Lincoln Tower, Suite 200
520 South Second Street
Springfield, Illinois 62701
Telephone: (217) 524-1688
Enforcement Fax: (217) 782-8876