

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: FRANCORP CAPITAL, INC.

FILE NO. 0200491

AMENDED NOTICE OF HEARING

TO RESPONDENT: Francorp Capital, Inc.  
20200 Governors Drive  
Olympia Fields, Illinois 60461

You are hereby notified that, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K (the "Rules"), a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 19th day of February 2003, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Richard M. Cohen, Esq., or another duly designated Hearing Officer of the Secretary of State.

This hearing will be held to determine whether an Order should be entered pursuant to Section 11.E of the Act prohibiting Respondent from selling or offering for sale securities in the State of Illinois and/or 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.E(4) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

Unregistered Securities Offering

1. Respondent Francorp Capital, Inc., a Delaware corporation not licensed to do business in Illinois ("Francorp Capital"), maintains its business headquarters at 20200 Governors Drive, Olympia Fields, Illinois 60461.
2. Beginning in March 2002, Respondent offered by means of general solicitation in Illinois 6,000,000 shares of its Common Stock at the offering price of \$1.25 per Share.

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3. These activities constituted the offer of a security as those terms are defined in Sections 2.1 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
4. 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 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.
5. Respondent failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and as a result the securities were not registered pursuant to Section 5 of the Act prior to their offer in the State of Illinois.
6. 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.
7. 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.
8. By virtue of the foregoing, Respondent violated Sections 12.A and 12.D of the Act.

You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, a Special Appearance pursuant to Section 1107 of the Rules, or other responsive pleading within thirty (30) days of the receipt of this notice. Your failure to do this 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 by you.

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.

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

Dated: This 14<sup>th</sup> day of January, 2003.



JESSE WHITE  
Secretary of State  
State of Illinois

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