

GroupLoan.com

Timothy R. Hays

Emergency Cease and Desist Order

DATE: February 25, 2003 RESPONDENTS: GroupLoan.com and Timothy R. Hays, both of Boyd, Texas ORDER: Emergency Cease and Desist Order issued to respondents GroupLoan.com and Timothy R. Hays, for allegedly promoting and offering for sale via the Internet a referral "loan" program. The "loan" program requires a prospective participant to pay a \$29.97 membership fee to obtain a self-replicating website which the participant uses to recruit new members. The "loan" program promises ever higher "loans" for either recruitment of new participants or for passage of time. The first "loan" of \$12.50 will not be due in six years and at that time a participant will receive a "loan" of \$3,276,800 either based upon the simple passage of time, or will receive the "loan" earlier based upon the recruitment of 1,162,261,467 persons on that level of the pyramid. The Order alleges that the "loan" program is a security and that neither the security nor the respondents promoting it were properly registered under the Kansas Securities Act.

Notice to Investors: If you are not a resident of Kansas and have been affected by actions that are similar to those described in this synopsis, you should consider contacting your state securities regulator for assistance. To locate your securities regulator, go to the [North American Securities Administrators Association](#) website. If you choose to contact your state securities regulator, please inform him or her of the action taken by the State of Kansas.