BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE OF THE STATE OF TENNESSEE AT NASHVILLE

TENNESSEE SECURITIES DIVISION,	)	
Petitioner.	)	
	)	
vs.	)	**Order No.: 09-008**
	)	
QUADRA PAY, INC., and	)	
QUADRA PAY LAND, LLC,	)	
Respondents.	)	

CONSENT ORDER

The Tennessee Securities Division ("Division"), Petitioner, and Quadra Pay, Inc. and Quadra Pay Land, LLC, Respondents herein, agree to the entry of this Consent Order in accordance with TENN. CODE ANN. § 48-2-116 of the Tennessee Securities Act of 1980, as amended, TENN. CODE ANN. § 48-2-101, et seq. ("Act"), which states that the Commissioner of Commerce and Insurance ("Commissioner") from time to time may make such orders as are necessary to carry out the provisions of the Act.

GENERAL STIPULATIONS

1. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. This Consent Order is executed by the Respondents for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Consent Order not

be accepted by the Commissioner, it is agreed that presentation to and consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

3. Respondents fully understand that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondents for acts or omissions not specifically addressed in this Consent Order for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. Respondents fully understand that this Consent Order will in no way preclude additional proceedings by the Commissioner or any other state government representative against the Respondents for violations of law under other statutes, rules, or regulations of the State of Tennessee, which may arise out of the facts, acts, or omissions contained in the Findings of Fact and Conclusions of Law stated herein, or which may arise as a result of the execution of this Consent Order by the Respondents.

5. Respondents expressly waive all further procedural steps, and expressly waive all rights to seek judicial review of or to otherwise challenge or contest the validity of the Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Consent Order by the Commissioner.

FINDINGS OF FACT

1. The Tennessee Securities Act of 1980, as amended, TENN. CODE ANN. § 48-2-101, et seq. ("Act"), places the responsibility for the administration of the Act on the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility. TENN. CODE ANN. § 48-2-115.

2. At all relevant times, Respondent, Quadra Pay Land, LLC was a Nevada limited liability company whose principal place of business was located at 3225 McLeod Drive, Suite 100, Las Vegas, NV 89121. Quadra Pay Land, LLC was dissolved on December 29, 2005. Quadra Pay Land is not currently registered with the Division pursuant to the Act and was not so registered at the time of the sale of land in Tennessee.

3. At all relevant times, Respondent, Quadra Pay, Inc. was a Tennessee corporation whose principal place of business was located at 100 Laroe Lane, Springville, TN 38256. Quadra Pay Inc. was not registered with the Division pursuant to the Act and was not so registered at the time of the sale of land in Tennessee. Respondent, Quadra Pay, Inc. was administratively dissolved on August 21, 2006.

4. On March 12, 2005, Respondents, and Michael Eavenson (deceased), launched the Quadra Pay Land website www.quadrapayland.com, and began to offer to sell investors "options from Quadra Pay Land" involving real estate.

5. At all relevant times, Kuhn Family Limited Partnership (LP) was a Nevada domestic limited partnership whose principal place of business is 3960 Howard Hughes Parkway, Suite 500, Las Vegas, NV 89169. Kuhn Family LP was listed as a member under officers for Respondent,

Quadra Pay Land, LLC with a business address of 3225 McLeod Drive, Suite 100, Las Vegas, NV 89121.

6. These options were never registered as securities with the Tennessee Securities Division.

7. Potential Investors were solicited to purchase an "option" for an undivided interest in one square foot of land. On March 12, 2005, one particular real estate subject to the option certificate was described as a "2 acre tract located in Stewart County, Tennessee, being a part of the real estate conveyed by Grantor to deed of Quadra Pay, Inc., of record in Book 66, Page 53, in the Registrar's Office of said county and state, to be more fully described in Deed." This solicitation was on the Quadra Pay website.

8. The solicited option was supposed to allow each investor to acquire a deed to land at the option's maturity. Each investor was to pay $600.00 for the option certificate and each investor was promised a return of $2,400.00 at maturity. The option claimed that maturity would occur in days, even hours. Quadra Pay Land stressed that its investors could roll over their profits again and again.

9. In reality, the Quadra Pay Land options operated as a program into which participants were solicited with the promise of a large future cash payout in exchange for a single lesser payment in the present. Investors entered the program at Stage 1, and moved up as additional investors were brought in as option certificated purchasers. Investors were told that they would receive their quadruple return of $2,400.00 when the investors reached Stage 4, maturity.

10. Quadra Pay Land claimed that options that did not reach Stage 4, maturity, would be bought back at the end of a year for $600.00, a "No Lose Guarantee".

11. On March 19, 2005 Kuhn Family LP assigned all of its interest in Quadra Pay Land LLC to Prelude Management, Inc.

12. Quadra Pay Land, LLC investment contracts have never been registered for offer or sale in the State of Tennessee.

CONCLUSIONS OF LAW

1. Pursuant to TENN. CODE ANN. §48-2-115(a), the responsibility for administration of the Act is upon the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

2. TENN. CODE ANN. § 48-2-104(a) provides in pertinent part that: It is unlawful for any person to sell any security in this state unless: (1) It is registered under this part; (2) [t]he security or transaction is exempted under § 48-2-103; or (3) [t]he security is a covered security.

3. As described in the Findings of Fact section above, practices by Quadra Pay Inc. and Quadra Pay Land LLC would provide grounds under TENN. CODE ANN. §48-2-104(a) for the entry of an order of sanctions against Quadra Pay Inc. and Quadra Pay Land LLC and any persons actively engaged in the sale of Quadra Pay Land options..

4. TENN. CODE ANN. § 48-2-109(a) provides in pertinent part that: It is unlawful for any person to transact business from or in this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part.

5. As described in the Findings of Fact section above, practices by Quadra Pay, Inc. and Quadra Pay Land LLC would provide grounds under TENN. CODE ANN. § 48-2-109(a) for the entry

of an order of sanctions against Quadra Pay Inc. and Quadra Pay Land LLC and any other unregistered persons engaged in the sale of Quadra Pay Land options.

6. TENN. CODE ANN. § 48-2-109(c) provides in pertinent part that: It is unlawful for any person to transact business from or in this state as an investment adviser or investment adviser representative unless such person is registered as an investment adviser or investment adviser representative under this part.

7. As described in the Findings of Fact section above, practices by Quadra Pay, Inc. and Quadra Pay Land LLC would provide grounds under TENN. CODE ANN. § 48-2-109(c) for the entry of an order of sanctions against Quadra Pay Inc. and Quadra Pay Land LLC and any other unregistered persons engaged in the sale of Quadra Pay Land options.

8. TENN. CODE ANN. § 48-2-121(a) provides in pertinent part that, it is unlawful for any person, in connection with the offer, sale or purchase of any security in the state, directly or indirectly, to: (1) Employ any device, scheme, or artifice to defraud; (2) Make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or (3) Engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

9. As described in the Findings of Fact section above, practices by Quadra Pay Inc. and Quadra Pay Land LLC would provide grounds under TENN. CODE ANN. §48-2-121 for the entry of an order of sanctions against Quadra Pay Inc. and Quadra Pay Land LLC and any persons engaged in the sale of Quadra Pay Land options.

10. Respondents, for the purpose of settling this matter, neither admit nor deny the "Findings of Fact" as contained herein, and have agreed to the entry of this Consent Order.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and Respondents' waiver of their right to a hearing and appeal under the Tennessee Securities Act and Tennessee's Uniform Administrative Procedures Act, TENN. CODE ANN. § 4-5-101 et seq., and Respondents' admission of jurisdiction of the Commissioner, the Commissioner finds that Respondents, for the purpose of settling this matter, neither admit nor deny the "Findings of Fact" and conclusions of law as contained herein, and have agreed to the entry of this Consent Order and that the following Consent Order is appropriate, in the public interest and necessary for the protection of investors.

IT IS ORDERED, pursuant to TENN. CODE ANN. § 48-2-116(a) of the Tennessee Securities Act that:

1. Respondents, Quadra Pay Inc. and Quadra Pay Land LLC and all persons actually engaged in the sale of Quadra Pay Land options shall fully comply with the Tennessee Securities Act, as amended, and all rules promulgated thereunder;

2. Respondents, Quadra Pay Inc. and Quadra Pay Land LLC, and any persons engaged in the sale of Quadra Pay Land options shall permanently cease and desist in any further conduct as an issuer, broker-dealer, agent of a broker-dealer, investment adviser, or investment adviser representative from or in the state of Tennessee, beginning on the date this Consent Order is executed by the Commissioner for the Department of Commerce and Insurance.

3. Respondents, Quadra Pay Inc. and Quadra Pay Land LLC, and any persons engaged in the sale of Quadra Pay Land options shall cease and desist in conducting securities transactions on

behalf of others from, in, or into the State of Tennessee, beginning on the date this Consent Order is executed by the Commissioner for the Department of Commerce and Insurance.

4. Respondent Quadra Pay Inc. and Quadra Pay Land LLC are ORDERED TO AND AGREE to pay investigatory expenses in the amount of $5000.00, upon execution of this document, but in no event later than 10 business days thereafter. Payment in the form of a money order or cashier's check shall be mailed or delivered to:

State of Tennessee
Department of Commerce and Insurance
Securities Division - Broker-Dealer Section
6th Floor, Davy Crockett Tower, Suite 680
500 James Robertson Parkway
Nashville, Tennessee 37243

Respondents, Quadra Pay Inc. and Quadra Pay Land LLC, hereby agree that any failure to comply with all the requirements and prohibitions contained in this Order shall result in further enforcement action by the Division, the Department of Commerce and Insurance, and/or the State of Tennessee in order to enforce the provisions contained herein.

IT IS ORDERED that this Consent Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Commissioner against Quadra Pay Inc. and Quadra Pay Land LLC for violations of the Act alleged by the Tennessee Securities Division to have occurred with respect to the transactions involving the above referenced investors and the facts contained herein.

This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, Quadra Pay Inc. and Quadra Pay Land LLC affirmatively state that each has freely agreed to the entry of this Consent Order, that each waives the

right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

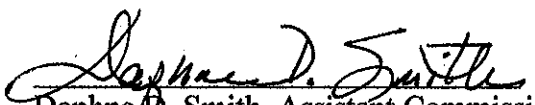
ENTERED this 1st day of July, 2009.

Leslie A Newman

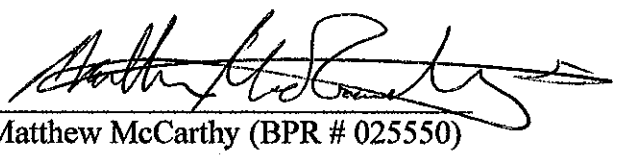
Leslie A. Newman, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

Quadra Pay, Inc. and Quadra Pay Land LLC,
collectively Respondents by its former member
Kuhn Family LP



Daphne D. Smith, Assistant Commissioner for Securities
Department of Commerce and Insurance



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