

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

**IN THE MATTER OF: Scott M. Ross;**  
**Harbor Private Funds,**  
**its partners, members, officers, directors,**  
**agents, employees, affiliates, successors**  
**and assigns;**  
**Harbor Wealth Management,**  
**its partners, members, officers, directors,**  
**agents, employees, affiliates, successors**  
**and assigns;**  
**Maize Capital Management, LLC,**  
**its partners, members, officers, directors,**  
**agents, employees, affiliates, successors**  
**and assigns;**  
**Maize Asset Management, LLC**  
**its partners, members, officers, directors,**  
**agents, employees, affiliates, successors**  
**and assigns;**  
**Maize Fund, L.P.,**  
**its partners, members, officers, directors,**  
**agents, employees, affiliates, successors**  
**and assigns;**

**FILE NO. 0800512**

**ORDER OF PROHIBITION**

**TO THE RESPONDENTS:** Scott M. Ross  
300 Jackson Court  
Gilberts, Illinois 60136

Scott M. Ross  
CRD # 4508394  
1901 N. Roselle Road  
Suite 800  
Schaumburg, Illinois 60195

Harbor Wealth Management Group, LLC  
Harbor Private Funds  
Harbor Capital Funds, LLC  
Maize Capital Management, LLC  
Maize Asset Management, LLC  
Maize Fund, L.P.

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1901 N. Roselle Road  
Suite 800  
Schaumburg, Illinois 60195

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State, State of Illinois, on February 20, 2009, temporarily prohibiting the Respondents from offering or selling securities in the State of Illinois until further order from the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, the Respondents have failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Final Findings of Fact as follows:

### Background

1. That at all relevant times, Scott Ross (Ross), the "Respondent", a natural person, maintains a home address of 300 Jackson Court, Gilberts, Illinois 60136 and a business address of 1901 N. Roselle Road, Suite 800, Schaumburg, Illinois 60195.
2. That at all relevant times Harbor Wealth Management Group, LLC, "HWMG", maintains a business address of 1901 N. Roselle Road, Suite 800, Schaumburg, Illinois 60195, which purports, by way of its web site, to have Scott Ross as its Senior Managing Partner.
3. That at all relevant times Harbor Private Funds, LLC, "HPF", maintains a business address of 1901 N. Roselle Road, Suite 800, Schaumburg, Illinois 60195.
4. That at all relevant times Harbor Capital Funds, LLC, "HCF", maintains a business address of 1901 N. Roselle Road, Suite 800, Schaumburg, Illinois 60195.
5. That at all relevant times Maize Capital Management, LLC, an Illinois corporation registered with the Illinois Secretary of State, maintains a business address of 1901 N. Roselle Road, Suite 800, Schaumburg, Illinois 60195, and names Scott Ross as manager.

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6. That at all relevant times Maize Asset Management, LLC, an Illinois corporation registered with the Illinois Secretary of State, maintains a business address of 1901 N. Roselle Road, Suite 800, Schaumburg, Illinois 60195, and names Scott Ross as manager.
7. That at all relevant times Maize Fund, L.P., maintains a business address of 1901 N. Roselle Road, Suite 800, Schaumburg, Illinois 60195 and is distributed by Maize Capital Management, LLC asserting Leslie McNew as the Chief Investment Officer and Scott Ross as the Chief Executive Officer.
8. That beginning in 2007, respondents sold at least three separate investment opportunities to approximately 200 investors, who invested over \$10,000,000.00.

### Sale of Unregistered Securities

9. That beginning in 2007 respondents, HWMG, HPF, HCF and Ross, offered to sell and sold to investor's common shares of Moondoggie Technologies, Inc. "Moondoggie" which investors were told their money would be pooled to purchase common shares of Moondoggie, which the HWMG represented would be held by a syndicate.
10. That beginning in 2007 respondents, HWMG, HPF, HCF and Ross, offered to sell and sold to investors a fund called "Elucido" which was touted to pool investors' money in order to invest in life settlements contracts.
11. That beginning in 2008 respondent offered to sell and sold to investors a fund called "Maize Fund L.P." which was touted to seek capital appreciation through commodities trading in foreign exchange (FX), energy, precious metals and interest rate products. In May 2008, the Maize Fund L.P. set up an account with a third party foreign currency dealer and engaged in foreign currency transactions involving euro and dollar exchanges.
12. That Moondoggie was offered and sold in several tranches, some sold at 37.5 cents (\$0.375), 55 cents (\$0.55) per share, 67.5 cents (\$0.675) per share, 80 cents (\$0.80) per share, 85 cents (\$0.85) per share, and some at over one dollar and fifty cents per share, promising that the stock would repurchase for Three Dollars and Seventy-five Cents (\$3.75) by Moondoggie Technologies in October of 2009. Ross failed to inform investors that he acquired the Moondoggie shares for than 20 cents (\$0.20) per share.
13. That the respondent continued to offer and sell the Elucido Fund for twelve months without ever investing the money acquired.
14. That respondents solicited investors from various sources, including but not limited to friends, family and business acquaintances, and solicited investors

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through "Free Dinner Presentations" held at various restaurants. In addition respondents obtained and used customer lists and cold called the persons on said list.

15. That respondents made no attempt to screen the investors as to whether they were accredited investors, with the majority of the investors being non-accredited.
16. That the activities set forth in paragraphs 10-15 constitute the offer and sale of an investment contract, and therefore a security as those terms are defined at Sec. 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 (815 ILCS 5) (the "Act").
17. That Section 5 of the Act states, *inter alia*, that all securities except those set forth under Section 2a of this Act, or those exempt under Section 3 of this Act, or those offered or sold in transactions exempt under Section 4 of this Act, or face amount certificate contracts required to be registered under Section 6 of this Act, shall be registered as hereinafter in this section provided, prior to their offer or sale in this State.
18. That at all relevant times, the securities described in paragraphs 9-11 were not registered as required pursuant to Section 5 of the Act.
19. That Section 12.A of the Act provides it shall be a violation of the provisions of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.
20. That Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the provisions of this Act 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 this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
21. That by virtue of the foregoing respondent violated Sections 12.A and 12.D of the Act.

Unregistered Dealer/Salesperson/  
Investment Advisor/ Investment Advisor Representative

22. That 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to act as a dealer, salesperson, investment advisor, or investment advisor representative, unless registered such, where such registration is required under this Act.
23. That Respondent Scott Ross offered and sold the securities as described in paragraphs 9-11.

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24. That in 2002, respondent Scott M. Ross applied for and was tested twice for both a Series 7 and Series 66 exams, failing each and every exam. Despite having failed both exams twice, respondent continued to offer and sell securities to investors and offer investment advice to investors and potential investors.
25. Respondent Ross is described in the Maize Fund LP as follows:

*Scott Ross, Chief Executive Officer*

Scott M. Ross is the Chief Executive Officer of Maize Capital Management, LLC, and its subsidiaries, Maize Asset Management, LLC and Maize Fund, L.P

Ross is the Senior Managing Partner of Harbor Wealth Management Group, LLC, a comprehensive wealth and investment firm, and its subsidiaries, Harbor Private Funds, LLC and new-to-market as of spring 2007, Harbor Capital Funds, LLC. Ross, a veteran to the financial industry, is an accomplished educator, author, nationally acclaimed presenter, and a sought-after expert on financial topics and strategies.

Although Harbor Wealth Management has provided its clients with solid, profitable results since its inception in 1999, Ross wanted to offer clients alternate investment opportunities, potentially yielding even higher rates of return. Harbor Private Funds and Harbor Capital Funds became those vehicles. As a pioneer to the offering of Life Settlements contracts to private investors who seek high-yielding returns without linking to market volatility, Ross is lending his six plus years of retail experience to the development and management of private fund The Elucido.

He has earned his 'Seal of Approval' from the National Ethics Bureau, granted only to financial professionals who have electively volunteered transparency for a background check and have passed a comprehensive seven-year background review with all regulatory bodies, including the NA SD, SEC and all state insurance and securities boards. He received his Bachelor of Arts in Communications from New Mexico State University, which he attended on an athletic scholarship.

26. Respondent's Web Site for HWMG ([www.harborassets.com](http://www.harborassets.com)) states as follows:

### **Retirement Plan Rollovers**

When you leave a company, one of the last things on your mind is what to do with your 401k, 403b and Defined Benefit or Pension plans. The company gave you broad strokes information in your exit packet along with a phone number to call with questions. No one tells you that you have a window of time to request transfer funds to another qualified plan away from the company or company provider. They do not share with you your

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options and which option will be best for you and your family.

At HWMG we specialize in helping you define a plan and then putting that plan into action to maximize your gains while minimizing your risk. We are well aware that this money is has been earmarked for retirement and while you are for growth you do not want to lose much or any of it.

Will Rogers once said "I don't care so much about the return on my money, just the return of my money"

Please do not hesitate to call or email us with any questions about your retirement plan rollover and what options are available to you. If you are available for direct and concise answers and not a lot of sales talk then we are the people for you, we pride ourselves on being advisors not salespeople.

27. Through the conduct described in paragraphs 22-26, the respondent, Ross, acted as a dealer and/or salesperson and/or investment advisor and/or investment advisor representative, for the Harbor and Maize funds.
28. That at all relevant times, the respondent, Ross, was not registered as a dealer and/or salesperson under the Act.
29. That at all relevant times, the respondent, Ross, was not registered as an investment advisor and/ or investment advisor representative under the Act.
30. That by acting as a salesperson and/or dealer in the State of Illinois, without being registered as such, respondent, Ross, violated section 12.C of the Act.
31. That by acting as an investment advisor and/or investment advisor representative in the State of Illinois, without being registered as such, respondent, Ross, violated section 12.C of the Act.

### Fraud

32. That Respondents, HWMG, HPF, HCF and Ross, promised investors profits of over one hundred (100%) percent return on a thirty four (34) month investment of Moondoggie Fund.
33. That Respondents promised safer and higher returns on retirement accounts and recommended that investors sell their current holdings in IRA's to purchase investments in the Moondoggie Fund, the Maize Fund and Elucido Fund and open new Individual Retirement Accounts through a custodian recommended to the investors by the Respondents.

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34. Respondent, Harbor Wealth Management, LLC web site boasted of "Retirement Planning and Wealth Management" and included transferring of current IRA plans into the Moondoggie Fund, the Maize Fund and Elucido Fund.
35. That Respondents, HWMG, HPF, HCF and Ross, had no reasonable basis for recommending that Life Settlements of Elucido were a safer investment for investors than their previous retirement accounts.
36. That Respondents, HWMG, HPF, HCF and Ross, failed and refused to advise the investors that Elucido had no substantive investments capable of producing returns sufficient to repay investors the promised rate of return on their funds.
37. That Respondent Scott M. Ross took an undisclosed amount of money from HWMG and other Harbor funds and its investment funds of Maize, Moondoggie and Elucido.
38. That Respondent Scott M. Ross used the money in HWMG and other Harbor funds to pay for his gambling activities at various casinos, which are in excess of three hundred thirty thousand investor dollars.
39. That respondents failed to disclose to investor losses incurred by Maize and instead chose only to report the profits gained, respondent reported to investors by means of a web site as well as investor statements.
40. That respondents, HWMG, HPF, HCF and Ross, failed to disclose that after offering and selling the Elucido fund for over eighteen months, they had never invested in life settlements as the prospectus stated.
41. That Section 12.F of the Act provides that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
42. That Section 12.G of the Act provides that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances in which they were made, not misleading.
43. That Section 12.H of the Act provides that it shall be a violation of the Act or any person to sign circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.

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44. That Section 12.I of the Act states that it shall be a violation of the provisions of this Act for any person to, “employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.”
45. That by virtue of the forgoing, respondent violated Section 12.F, Section 12.G, Section 12.H and Section I of the Act.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State’s Conclusions of Law as follows:

1. The Securities Department of the Office of the Secretary of State (“Department”) has jurisdiction over the subject-matter of this proceeding under Sections 2.1; 2.5; 2.5(a); 12.F; and 11.E(2) of the Illinois Securities Law (“Act”). 815 ILCS 5/2.1;2.5; 2.5(a); 12.F; and 11.E (1).
2. The Department has personal jurisdiction over each of the Respondents because:
  - (a) The Department properly served each Respondent with the Temporary Order of Prohibition entered in this proceeding, in accordance with Sections 10.B(1) and 11.F(2) of the Act.
  - (b) The Temporary Order contained the information required under Section 11.F(2) of the Act that the Respondents’ failures to request a hearing within thirty days after the date of the entry of the Temporary Order would constitute an admission of any facts contained in the Temporary Order and constitute a sufficient basis to make the Temporary Order final.
3. The investment opportunities described in the Findings of Fact of this Order are securities, as defined by Section 2.1 of the Act.
4. Respondents’ offers and sales of the securities constituted engagements in transactions, practices, or a course of business in connection with the sale and purchase of securities that worked or tended to work a fraud or deceit upon the purchasers, in violation of Section 12.F of the Act.
5. Respondents’ offers and sales of the securities by means of an omission to state a material fact necessary in order to make the statements offering the security for sale, in the light of the circumstances under which it was made, not misleading, in violation of Section 12.G of the Act.

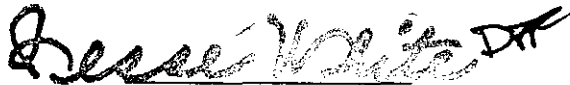
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6. Respondents' offers and sales of the securities by means of an untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances in which they were made, not misleading, in violation of 12.H of the Act.
7. Respondents' offers and sales of the securities by means of employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly, in violation of 12.I of the Act.

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to Section 11.F of the Act, the Respondents; Scott M. Ross, Harbor Wealth Management Group, LLC; Harbor Private Funds, LLC; Harbor Capital Fund, LLC; Maize Capital Management, LLC; Maize Asset Management, LLC, and Maize Fund, LP, his/its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, shall be and are hereby permanently PROHIBITED from offering or selling any securities in or from the State of Illinois.

DATED: ENTERED This 25<sup>th</sup> day of March 2009.



JESSE WHITE  
Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 Felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, {735 ILCS 5/3-101 et seq.} and the Rules and Regulations of the Illinois Securities Act, {14 Ill. Admin. Code Ch. I, Section 130.1123}. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Mary A. Lopez  
Office of the Secretary of State  
Illinois Securities Department  
69 West Washington Street, Suite 1220  
Chicago, Illinois 60602  
Telephone: (312) 793-3023