

4. The Investor was solicited by Harrell to pay Five Thousand Dollars (\$5000) to Harrell in exchange for a promise by Prescott that the money would be used in the purchase, rehabilitation, and resale of foreclosed properties.
5. In September 2007, the Investor paid Harrell a total of \$5000 and both the Investor and Harrell signed a written contract entitled "Mutual Agreement."
6. The Investor was promised that Prescott would double and distribute the initial investment of \$5,000 within sixty (60) days of the initial investment on September 26, 2007.
7. Harrell's activities described above involve the offer and sale of a note or an investment contract as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

COUNT I

FRAUD IN THE SALE OF SECURITIES

8. Respondents Harrell and Prescott have failed to make any payments to the Investor as promised.
9. Harrell failed to disclose to Investor any risks involved in the Investment Contract that Prescott would not pay the promised principal or interest according to the terms of the signed agreement.
10. Harrell, instead of doubling the initial investment of \$5,000 as promised in the terms of the Investment Contract converted the principal received from the Investor to her own use and benefit.
11. Harrell, at the time of the Investment Contract, failed and refused to notify the Investor that the principal would be converted to her own benefit rather than used to generate interest for the Investor's benefit.
12. Section 12.F of the Act provides, *inter alia*, 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".
13. Section 12.G of the Act provides, *inter alia*, 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 under which they were made, not misleading.
14. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the 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".

15. By virtue of the foregoing, Harrell violated Sections 12.F, 12.G and 12.I of the Act.

COUNT II

FAILURE TO REGISTER SECURITIES

16. Section 5 of the Act provides, *inter alia*, that “all securities except those set forth under Section 2a of this Act...or those exempt...shall be registered...prior to their offer or sale in this State.
17. Prescott failed to file an application with the Secretary of State to register the investment contract as required by the Act, and as a result the investment contract was not registered as such prior to their sale in the State of Illinois.
18. Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act to offer or sell any security except in accordance with the provisions of the Act.
19. Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the Act 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 the Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
20. By virtue of the foregoing, Harrell violated Sections 12.A and 12.D of the Act.
21. Section 11.F(2) of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (“the Act”) provides, *inter alia*, that the Secretary of State may temporarily prohibit or suspend for a maximum period of 90 days, by an order effective immediately, the offer or sale of securities by any person, if the Secretary of State shall in his or her opinion, based on credible evidence, deem it necessary to prevent an imminent violation of this Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of this Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Harrell, Tamara R. Harrell doing business as **Prescott Investment Inc.**, and her partners, officers and directors, agents, employees, affiliates, successors and assigns are temporarily **PROHIBITED** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Prescott and Harrell may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon

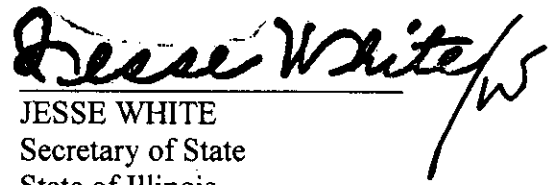
Temporary Order of Prohibition

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receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

FAILURE BY HARRELL TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 7th day of May 2009



JESSE WHITE
Secretary of State
State of Illinois

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