

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: PHIL LORECZA, AND PHIL LORECZCA)
d/b/a XL GUM, ITS OFFICERS, AND DIRECTORS, AGENTS) FILE NO. 1000002
PARTNERS, EMPLOYEES, AFFILIATES, SUCCESSORS)
AND ASSIGNS.)

ORDER OF PROHIBITION

TO RESPONDENTS: Phil Lorezca
9 Augusta drive
Streamwood, Illinois 60133

XL Gum
c/o Phil Lorezca
9 Augusta Drive
Streamwood, Illinois 60133

WHEREAS, a Temporary Order of Prohibition was issued by the Illinois Secretary of State, on March 4, 2010, temporarily prohibiting the Respondents from offering or selling securities in the State of Illinois for a maximum period of ninety (90) days.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order of Prohibition shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Respondents PHIL LORECZA, AND PHIL LORECZCA d/b/a XL GUM have failed to request a hearing on the matters contained in the Temporary Order of Prohibition 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 Findings of Fact as follows:

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1. That Respondent, XL Gum, a business entity ("XL"), maintained a business address at c/o Phil Lorezca, 9 Augusta Drive, Streamwood, Illinois 60133.
2. That Respondent Phil Lorezca, an individual, ("Lorezca"), collectively with Respondent, XL, ("Respondents") maintains an address at 9 Augusta Drive, Streamwood, Illinois 60133.
3. That around December, 2008, or thereabouts, Lorezca a representative of Respondents approached at least one Illinois resident (the "Investor") and pursued a relationship with him for the purpose of selling the Investor an investment contract ("Contract") to finance his Company XL in the amount of \$10,000.00.
4. Lorezca told the Investor that he had already put \$120,000.00 in XL, and needed the additional funds to carry on the business.
5. That in exchange for the \$10,000.00, Lorezca offered the Investor the principal back in three months along with a payment of \$5,000.00 and thereafter a payment of \$5,000.00 every month for the next three years.
6. That subsequent to the foregoing solicitation, on January 20, 2009 the Investor purchased the investment contract by giving Lorezca a check in the amount of \$10,000.00.
7. That the activities described in paragraphs 3 through 6 above constitute the offer and sale of a certificate of interest or participation in a profit-sharing agreement or an investment contract and therefore a security 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").
8. That Section 5 of the Act provides, inter alia, that all securities except 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.
9. That Respondents failed to file with the Secretary of State an application for registration of the investment opportunity described above as required by the Act and that as a result the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
10. That 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.
11. 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.

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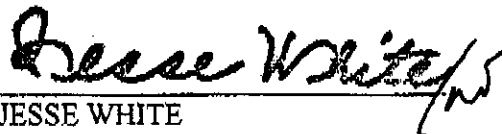
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WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State's Conclusion of Law as follows:

Respondents violated Sections 12.A. and 12.D. of the Act.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to Section 11.F of the Act, Respondents PHIL LORECZA, AND PHIL LORECZCA d/b/a XL GUM and each of them, their partners, members, officers and directors, agents, employees, affiliates, successors and assigns are hereby **PROHIBITED** from offering or selling any securities in or from the State of Illinois

ENTERED: This 7th day of April, 2010.



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.

Attorney for the Secretary of State:

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