

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)
PARTNERS, EMPLOYEES, AFFILIATES, SUCCESSORS)
AND ASSIGNS.)
_____)

FILE NO. 1000002

TEMPORARY 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

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

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.

Temporary Order of Prohibition

-2-

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.
12. That by virtue of the foregoing, Respondents have violated Sections 12.A and 12.D of the Act, and Respondents will violate the Act again if they make further offers, or if they make any sales, of the investment opportunity described above in the State of Illinois.
13. That the aforementioned findings are based upon credible evidence.
14. That Section 11.F(2) of the Act provides, inter alia, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to Investors that will occur as a result of prior violations of the Act.

Temporary Order of Prohibition

-3-

15. That the entry of this Temporary Order prohibiting Respondents, XL Gum, its officers and directors, agents, partners, employees, affiliates, successors and assigns, and Phil Lorezca, individually, from offering or selling the above-referenced securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents XL Gum, its officers and directors, agents, partners, employees, affiliates, successors and assigns, and Phil Lorezca, individually, are PROHIBITED from offering or selling securities in or from this State until further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1200, 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 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 ANY RESPONDENT 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.

ENTERED: This 4th day of March, 2010.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman
Illinois Securities Department
69 West Washington Avenue
Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-3988