

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

IN THE MATTER OF:)

Scott McGinnis,)

Truearn.com and its partners, members,)
officers, directors, agents, employees,)
affiliates, successors and assigns.)

File No. 1000312

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENTS: Scott McGinnis
127 N. Racine
Chicago, IL 60607

Truearn.com
c/o Scott McGinnis
127 N. Racine
Chicago, IL 60607

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:

FRAUD IN THE OFFER AND SALE OF SECURITIES

1. Respondent **Scott McGinnis** ("McGinnis") is an individual with a last known address of 127 N. Racine, Chicago, IL 60607.
2. McGinnis conducted business under the guise of an entity named **Truearn.com** ("Truearn"), an internet website with a last known address of as 127 N. Racine, Chicago, IL 60607.
3. The Truearn website stated:

Truearn is a private online investment firm working with you to help you find the best financial approach to make your desires come true, with robust advice on a wide range of issues, money management and

investment management, in the most efficient way to set up your investment and future.

4. The Truearn website also represented to potential investors that:
 - **Truearn is a private investment fund managed by expert traders and financial analysts, which allows you to access the forex market;**
 - **Your money will be invested in the forex market;**
 - **Withdrawals will be processed within 24 hours, and usually takes no more than 1 or 2 hours;**
 - **Withdrawals are processed 7 days a week.**
5. According to the Truearn website, Truearn offered a number of investment plans that paid various rates of interest to its investors:
 - **Investments into the 116% after 4 days plan will earn a profit of 16% at the end of the end of the 4th day, thereby the total return being 116%**
 - **Investments into the 145% after 10 days plan will earn a profit of 45% at the end of the end of the 10th day, thereby the total return being 145%**
 - **Investments into the 210% after 20 days plan will earn a profit of 110% at the end of the end of the 20th day, thereby the total return being 210%**
6. In or about May of 2010, Investor A discovered the Truearn website and reviewed the information provided by the website.
7. On or about May 24, 2010, Investor A made her initial investment with Truearn. Investor A made two subsequent investments with Truearn on or about May 25, 2010 and June 8, 2010.
8. At all times after making her initial investment with Truearn, Investor A's account reflected that she was earning a profit on her investments.
9. Beginning in or about July of 2010, Investor A attempted to withdraw funds from her Truearn account.
10. When she attempted to withdraw her funds from her Truearn account, the payment processor informed her that the withdrawal could not be processed because Truearn's account with the payment processor had been temporarily suspended.
11. After being unable to withdraw money from her Truearn account, Investor A attempted to contact McGinnis via email and telephone. McGinnis never responded to Investor A's

email inquiries, and when Investor A attempted to call McGinnis, his telephone number was no longer in service.

12. Investor A never received any the principal of her investments back from McGinnis or Truearn and never received any of the interest payments that were promised to her.
13. The activities described above constitute the offer and sale of 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 5/1 *et. seq.*] (the "Act").
14. Section 12.F of the Act states that it shall be a violation of the provisions of this 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.
15. Section 12.G of the Act states that it shall be a violation of the provisions of this 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 light of the circumstances under which they were made, not misleading.
16. Section 12.H of the Act states that it shall be a violation of the provisions of this Act for any person "to sign or 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."
17. 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."
18. By virtue of the foregoing, McGinnis and Truearn violated Sections 12.F, 12.G, 12.H and 12.I of the Act.

OFFER AND SALE OF UNREGISTERED SECURITIES

19. 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 qualification prior ... to their offer or sale" in the State of Illinois.
20. McGinnis and Truearn failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer or sale in the State of Illinois.

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21. Furthermore, McGinnis and Truearn failed to file any notice filings with the Secretary of State claiming that the securities being offered were exempt from registration.
22. Section 12.A of the Act provides that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
23. 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.
24. By virtue of the foregoing, McGinnis and Truearn violated Sections 12.A and 12.D of the Act.

PROHIBITION

25. 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.
26. The entry of this **Temporary Order of Prohibition** prohibiting Respondents Scott McGinnis and Truearn.com or their agents, affiliates, successors and employees, from offering or selling 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 **Scott McGinnis** and **Truearn.com** and each of their partners, members, officers and directors, agents, employees, affiliates, successors and assigns, are **Temporarily Prohibited** from offering or selling securities in or from this State for a maximum period of ninety (90) days.

NOTICE is hereby given that the Respondents may request a hearing on this matter by transmitting such request in writing to:

James Gleffe
Enforcement Attorney
Illinois Securities Department
Office of the Secretary of State
69 West Washington Street, Suite 1220
Chicago, Illinois 60602

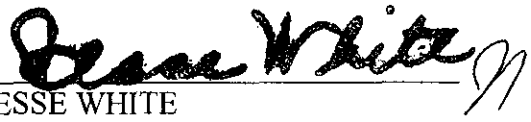
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Such request must be made within thirty (30) calendar days of the date of entry of the **Temporary Order of Prohibition**. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition.

FAILURE OF 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.

Dated this 6th day of October, 2011.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

James Gleffe
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Illinois Securities Department
Office of the Secretary of State
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