

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

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

TEMPORARY ORDER OF PROHIBITION

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

Scott M. Ross
CRD # 4508394

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1901 N. Roselle Road
Suite 800
Schaumburg, Illinois 60195

Harbor Wealth Management Group, LLC
Harbor Private Funds, LLC
Harbor Capital Funds, LLC
Maize Capital Management, LLC
Maize Asset Management, LLC
Maize Fund, L.P.
1901 N. Roselle Road
Suite 800
Schaumburg, Illinois 60195

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:

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 it’s 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.
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.

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

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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.
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.

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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) 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 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.

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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.
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.

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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.
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."

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45. That by virtue of the forgoing, respondent violated Section 12.F, Section 12.G, Section 12.H and Section I of the Act.

Relief Requested

46. That Section 11.E(2) of the Act provides, *inter alia*, if the Secretary of State shall find that any person has violated sub-section F, G, H or I of Section 12 of this Act, the Secretary of State may by written order permanently prohibit the person from offering or selling any securities in this State.
47. That by virtue of the foregoing violations of sub-sections 12.F, 12.G, 12.H and 12.I Respondents are subject to permanent prohibition from offering or selling any securities in the this state pursuant to Section 11.E(2) of the Act.
48. That Section 11.E(4) of the Act provides, *inter alia*, that in addition to any other sanction or remedy contained in this subsection E, the Secretary of State, after finding that any provision of this Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000, for each violation of this Act, may issue an order of public censure against the violator, and may charge as costs of investigation all reasonable expenses, including attorney's fees and witness fees.
49. That by virtue of the foregoing, Respondent is subject to a fine, censure and costs of investigation pursuant to Section 11.E(4) of the Act.

The entry of this **Temporary Order of Prohibition** prohibiting Respondents, 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 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, 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 Respondent may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West 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 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 and will extend the effectiveness of this Temporary

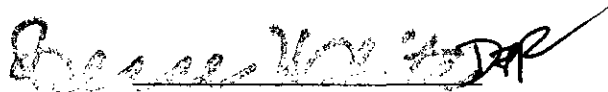
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Order of Prohibition for sixty (60) days from the date the hearing request is received by the Department.

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.

Dated: This 20th day of February 2009.

A handwritten signature in black ink, appearing to read "Jesse White", written over a horizontal line.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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