

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

IN THE MATTER OF: Matthew G. Sapaula)
_____)

FILE NO. 0800274

**CONSENT ORDER OF PROHIBITION
EXCEPT IN COMPLIANCE**

TO THE RESPONDENT: Matthew G. Sapaula
1 Westbrook Corp Center
Suite 300
Westchester, IL 60154-5701

WHEREAS, Respondent on the 17th day of December, 2008 executed a certain Stipulation to Enter Consent Order of Prohibition Except in Compliance (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated August 8, 2008 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Prohibition Except in Compliance ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

Sale of Unregistered Securities

1. That at all relevant times, the Respondent, a natural person, maintains a business address of 1 Westbrook Corp Center, Suite 300, Westchester, Illinois.
2. That beginning at least in 2003, Respondent offered to sell and sold to Illinois investors Viatical settlements from the Mutual Benefits Corporation, promising the investors profits from twelve (12%) for a one year investment to seventy-two (72%) percent return on a seventy-two month investment.
3. That between 2003 and 2004, Respondent sold over eleven (11) separate Viatical Settlement invest opportunities to over ten (10) Illinois investors, who invested over \$213,146.00.

Consent Order of Prohibition Except in Compliance

2

4. That Respondent solicited investors from mailings and seminars, where the respondent touted the Viatical Settlement as a premier alternative to the other products.
5. That Respondent earned over \$27,775.00 in commissions from the sale of Viatical Settlements.
6. That the activities set forth in paragraphs 2-4 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").
7. 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.
8. That at all relevant times, the security described in paragraph seven (7) was not registered as required pursuant to Section 5 of the Act.
9. 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.
10. 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.
11. That by virtue of the foregoing Respondent violated Sections 12.A and 12.D of the Act.

Unregistered Dealer/Salesperson

12. 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 as such, where such registration is required under this Act.
13. That beginning in 2003 and continuing through 2004, Respondent continued to offer and sell Mutual Benefits Corporation product of Viatical Settlements to investors.

Consent Order of Prohibition Except in Compliance

3

14. Through the conduct described in paragraphs seven (7) and thirteen (13), the respondent acted as a dealer and/or salesperson for the Mutual Benefits Corporation.
15. That at all relevant times, the Respondent was not registered as a dealer and/or salesperson under the Act.
16. That by acting as a salesperson and/or dealer in the State of Illinois, without being registered as such, Respondent violated section 12.C of the Act.
17. 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.

WHEREAS, by means of the Stipulation Respondent has acknowledged that the following shall be adopted as the Secretary of State's Conclusion of Law:

- (1) The Respondent violated Sections 12.A and 12.D of the Act.
- (2) The Respondent violated section 12.C of the Act

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall be PROHIBITED from offering and selling of securities EXCEPT in compliance with the Illinois Securities Law of 1953 815 ILCS 5/1 et seq. (The "Act").

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall be a levied fine in the amount of Eight Thousand Two Hundred Fifty Dollars (\$8,250.00). Said amount is to be paid in installments by certified or cashier's checks, made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund. Said installments shall be made in two payments of Four Thousand One Hundred Twenty Five Dollars (\$4,125.00) the first payment on December 16, 2008, with the signing of this Stipulation, and the final payment on January 16, 2009; in no event shall the payments be completed later than January 18, 2009.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

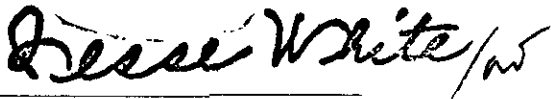
1. The Respondent shall be PROHIBITED FROM OFFERING AND SELLING SECURITIES EXCEPT IN COMPLIANCE in the State of Illinois.

Consent Order of Prohibition Except in Compliance

4

2. The Respondent is levied fines in this matter in the amount Eight Thousand Two Hundred Fifty Dollars (\$8,250.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on December 16, 2008 has submitted Four Thousand One Hundred Twenty Five Dollars (\$4,125.00) in partial payment thereof with the final payment of Four Thousand One Hundred Twenty Five Dollars (\$4,125.00) to be paid on January 16, 2009.
3. The Department shall retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions of the Stipulation herein.
4. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED This 18th day of December, 2008



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:
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