

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

IN THE MATTER OF:)	
HAROLD CARMICAL, JR.)	
A/K/A HAROLD CARMICHAL, JR.)	No 0700507
AND)	
TENNESSEE FRIED RABBIT, INC.)	
his/their partners, officers and directors, agents,)	
employees, affiliates, successors and assigns.)	

TEMPORARY ORDER OF PROHIBITION

**TO RESPONDENTS : Harold Carmical, Jr.
A/k/a Harold Carmichal, Jr.
And
Tennessee Fried Rabbit, Inc.
1376 Prather Drive
Nancy, Kentucky 42544**

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. Respondent Harold Carmical, Jr., a/k/a Harold Carmichal (hereinafter "Carmical" or collectively with Fried Rabbit, "Respondents") has a last known address of 1376 Prather Drive, Nancy, Kentucky 42544.
2. Respondent Tennessee Fried Rabbit, Inc. (also "Fried Rabbit" or collectively with Carmical, "Respondents"), is a Kentucky corporation with a registered address of 1376 Prather Drive, Nancy, Kentucky 42544.
3. Carmical is the sole incorporator, officer, and director of Tennessee Fried Rabbit.
4. On August 23, 2007 and for approximately one year prior thereto Carmical and Fried Rabbit, through Carmical, held themselves out to at least one Illinois resident ("Investor") as "a trader in overseas markets" and that as such they had been "very successful".
5. The Respondents solicited Investor to invest money with them which they promised they would use in their business of trading in "overseas market investments in China and India".

6. On August 23, 2007 Investor (42 years of age) gave Respondents 2 cashier's checks totaling \$150,000 (the "Investment") payable to "Tennessee Fried Rabbit, Inc." in exchange for Respondents' promise to pay the Investor earnings and principal of \$3000 in September 2007, with monthly earnings/principal payments increasing to \$10,000 per month "in a few months", and increasing again thereafter to higher and higher monthly payments so that Investor (in Respondent Carmichal's words) "will be a millionaire by the time you're 45 years old".
7. Respondents assured Investor they would use her investment for the business purpose of trading in international "overseas investment markets".
8. The activities described above in paragraphs 4-5 constitute the offer and sale of an investment contract and are 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").

FAILURE TO REGISTER SECURITIES

9. Section 5 of the Act provides, *inter alia* that all securities except those exempt under Section 3 or those offered and sold under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
10. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
11. Section 12.A of the Act provides *inter alia* that it shall be a violation for any person to offer and sell any security except in accordance with the provisions of the Act.
12. 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.
13. By virtue of the foregoing Respondents have violated Sections 12.A and 12.D of the Act.

FRAUD IN SALE OF SECURITIES

14. Respondents did not place the Investment in overseas markets or pay the Investor the amounts due her according to the terms of the investment contract, but instead placed the Investment into their account, and converted it to their own use and benefit.

15. Respondents failed and refused to notify Investor that they were converting the Investment to their own use and benefit, instead of using it for business purposes to trade in overseas markets.
16. Section 12.F of the Act provides, *inter alia*, 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”.
17. Section 12.G of the Act provides, *inter alia*, 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 light of the circumstances under which they were made, not misleading”.
18. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the 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”.
19. By virtue of the foregoing, Respondents violated Sections 12.F, 12.G and 12.I of the Act and will violate them again if they make further offers, or if they make any sales of investment contracts or other securities described above in the State of Illinois.
20. The aforementioned findings are based upon credible evidence.
21. 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.
22. The entry of this Temporary Order of Prohibition prohibiting Respondents, Harold Carmical Jr., a/k/a Harold Carmichal Jr., and Tennessee Fried Rabbit, Inc. or their partners, officers and directors, 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 **Harold Carmical, Jr., a/k/a Harold Carmichal, Jr. and Tennessee Fried Rabbit, Inc.**, their partners, officers and 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.


Temporary Order of Prohibition

-4-

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 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 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 16th day of April 2008.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

James J. Tierney
Illinois Securities Department
69 West Washington Street
Chicago, Illinois 60602
312-793-9650