

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: DEBRA L. HEPNER,  
PHILLIP A. CARNE, and MOMENTS  
RESORT CORPORATION

No. C0600445

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENTS: DEBRA L. HEPNER  
1044 JERALD DRIVE  
JOLIET, ILLINOIS  
60431

PHILLIP A. CARNE  
1044 JERALD DRIVE  
JOLIET, ILLINOIS  
60431

MOMENTS RESORT CORPORATION  
1044 JERALD DRIVE  
JOLIET, ILLINOIS  
60431

On information and belief, I, Jesse White, Secretary of 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 INFORMATION

1. At all relevant times Respondent Debra L. Hepner ("Hepner") was a citizen of Illinois with a last known address of 1044 Jerald Drive in Joliet, Illinois.
2. Hepner is the President and Chief Executive Officer of Respondent Moments Resorts Corporation.
3. At all relevant times Respondent Phillip A. Carne ("Carne") was a citizen of Illinois with a last known address of 1044 Jerald Drive in Joliet, Illinois.

TEMPORARY ORDER OF PROHIBITION

- 2 -

4. Carne is the Vice President and Chief Financial Officer of Respondent Moments Resorts Corporation.
5. Respondent Moments Resort Corporation was an Illinois business entity, incorporated on September 24, 2004, and dissolved on February 1, 2006.
6. Moments Resort Corporation ("MRC") never registered with the Secretary of State for interests therein to be offered or sold to the investing public.
7. "Investor" is a citizen of Illinois and unsophisticated in financial investments.

**THE TRANSACTION**

8. On or about June 1, 2005 Hepner solicited Investor to purchase shares of MRC.
9. Hepner provided Investor with a Business Plan for MRC, and offered to sell him twenty-five (25) shares of MRC stock at two hundred dollars (\$200.00) per share.
10. Respondents' Business Plan for MRC was to develop two hundred, sixty-five (265) acres of land into a resort, located next to the Empress Casino in Joliet, stating that the income was projected to exceed seven million dollars by 2006.
11. On July 27, 2005, Investor gave Hepner a cashier's check in the amount of five thousand dollars to purchase twenty-five (25) shares of MRC.
12. That same day Hepner provided Investor a "Shareholder Agreement" memorializing Investor's purchase of twenty-five (25) MRC shares for five thousand dollars (\$5,000.00). The Agreement stated that for one year from the date of the agreement Investor could sell the stock back at cost, or, after one year, "at the then current price per share."
13. In early 2006 Investor discovered that MRC's corporate status had dissolved.
14. Investor contacted Hepner to sell back the stock at the original price pursuant to the Agreement.
15. Hepner refused honor her contractual agreement with Investor, but after repeated calls Hepner told Investor she mailed him a certified check to buy back the MRC stock.
16. The purported cashier's check never arrived, and Respondents Hepner and Carne refused to answer or return Investor's calls.
17. The activities described in paragraphs 9 through 15, above, constitute the offer and sale of stock, and therefore a security, as those terms are defined in Sections

## TEMPORARY ORDER OF PROHIBITION

- 3 -

2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et seq.*] (the "Act").

18. The activities described in paragraphs 8 through 12, above, constitute the activities of a salesperson of securities.

### VIOLATIONS

#### SALE OF UNREGISTERED SECURITIES

19. Section 5 of the Act requires all securities offered or sold in Illinois to be registered with the Secretary of State.
20. Section 12.A of the Act states that it shall be a violation of the provisions of the Act to offer or sell any security except in accordance with the provisions of this Act.
21. Section 12.D of the Act states that it shall be a violation of the provisions of the Act 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 any regulation made by the Secretary of State.
22. Respondents failed to register the stock, as memorialized in the Shareholder Agreement described in paragraph 14, above, with the Secretary of State, and therefore, Respondents have violated Sections 12.A and 12.D of the Act.

#### FRAUD IN THE SALE OF SECURITIES

23. 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." 815 ILCS 5/12.F.
24. 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." 815 ILCS 5/12.G.
25. 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." 815 ILCS 5/12.I.

TEMPORARY ORDER OF PROHIBITION

- 4 -

26. Contrary to the business plan Respondents provided to Investor, and contrary to Respondent Hepner's promises and assertions, Investor's money was not used for a resort development, but rather, Respondents Hepner and Carne took Investor's money for their own personal use, including department store purchases and an August 29, 2005, withdrawal at a Joliet Riverboat.
27. By virtue of the above-described conduct, Respondents violated Sections 12.F, 12.G, and 12.I of the Act.

**PROHIBITION**

28. 11.F(2), inter alia, of the Act states that the Secretary of State may temporarily prohibit or suspend, by an order effective immediately, the offer or sale of securities if the Secretary of State shall in his or her opinion, based on credible evidence, deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors.
29. This action is necessary to prevent imminent losses to existing investors and to protect the public as the above described evidence shows that Respondents Debra Hepner, Phillip a. Carne through their Moments Resort Corporation have committed fraud in the sale of securities.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the granted by Section 11.F of the Act, Respondents Debra Hepner, Phillip Carne, and Moments Resort Corporation are **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 Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry 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.


TEMPORARY ORDER OF PROHIBITION

- 5 -

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 5<sup>th</sup> day of November 2007.

Attorney for the Secretary of State:  
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Illinois Securities Department  
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JESSE WHITE  
Secretary of State  
State of Illinois