

Temporary Order of Prohibition

-1400269-

WHEREAS, the Secretary of State finds that the grounds for such Temporary Order of Prohibition are as follows:

1. Respondent Jackson Hewitt M and M Tax Service ("M&M") is a franchise owned and operated by Respondent Michael A. Mazzulla which engages in the business of providing tax preparation services and has the last known address of 7132 N. Harlem Avenue, Chicago, IL 60631.
2. Respondent Michael A. Mazzulla ("Mazzulla") is an Illinois resident, with the last known address of 511 East Park Manor Court, Elmhurst, IL 60126. Respondent Mazzulla is the owner and operator of Respondent M&M and is a licensed CPA in the State of Illinois.
3. Sometime in or around the summer of 2013, Investor A, an Illinois resident, became a client of Respondents M&M and Mazzulla.
4. Respondent Mazzulla stated to Investor A that Jackson Hewitt was accepting investments in amounts of more than \$10,000.
5. Sometime in the summer of 2013, Investor A and Respondent Mazzulla signed several promissory notes which stated Respondents M&M and Mazzulla would pay Investor A more than 5% interest on the money invested with Respondents. The terms of the notes varied from 6 months to 1 year.
6. In the summer of 2013 and per the terms of the notes, Investor A issued several checks to Respondents M&M and Mazzulla made payable to Jackson Hewitt Tax Service in amounts of more than \$10,000.
7. On information and belief, Investor A received some interest payments from Respondents per the terms of the promissory notes.
8. Sometime in the spring of 2014, Investor A signed another promissory note which stated Respondents M&M and Mazzulla would pay Investor A more than 5% interest on the money invested with Respondents. The term of this note was for 1 year.
9. The promissory notes offered by Respondents Mazzulla and M&M constitute the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Act.
10. In the spring and summer of 2014, Investor A received several checks from Respondents representing the interest payment per the terms of the promissory note.
11. However, in the mid to late summer of 2014, Respondents M&M and Mazzulla stopped sending the interest checks to Investor A.
12. To Date, Respondents M&M and Mazzulla have not sent any further interest payments or returned any of the principal to Investor A.

13. Section 12.F states *inter alia* 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 of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
14. Section 12.I of the Act states *inter alia* 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.
15. Respondents Mazzulla and M&M never produced any statements to Investor A to indicate where Investor A's funds were invested, have failed to make any further interest payments to Investor A in accordance with the terms of the promissory notes, and have refused to return the principal to Investor A.
16. By virtue of the foregoing, Respondents Mazzulla and M&M have each violated Sections 12.F and 12.I of the Illinois Securities Law.

COUNT II

MAKING FALSE STATEMENTS TO THE ILLINOIS SECRETARY OF STATE

17. Paragraphs 1 through 16 are herein incorporated by reference.
18. Section 11.C(2) of the Act states *inter alia* that whenever it shall appear to the Secretary of State, either upon complaint or otherwise, that this Act, or any rule or regulation prescribed under authority thereof, has been or is about to be violated, he or she may, in his or her discretion, conduct an investigation, audit, examination, or inspection as necessary or advisable for the protection of the interests of the public.
19. An investigation was conducted by the Illinois Securities Department (the "Department") after receiving a complaint filed by Investor A.
20. Section 11.D(1) of the Act states *inter alia* that for the purpose of all investigations, audits, examinations, or inspections which in the opinion of the Secretary of State are necessary and proper for the enforcement of this Act, the Secretary of State or a person designated by him or her is empowered to administer oaths and affirmations, subpoena witnesses, take evidence, and require, by subpoena or other lawful means provided by this Act or the rules adopted by the Secretary of State, the production of any books and records, papers, or other documents which the Secretary of State or a person designated by him or her deems relevant or material to the inquiry.
21. During the course of the Department's investigation of Respondents Mazzulla and M&M, a subpoena *duces tecum* was issued to Respondents in accordance with Sections 11.C and 11.D of the Act. Respondents were required to produce, among other things: 1) a list of all investors/clients of Respondent M&M; 2) copies of any/all correspondence to investor/clients

Temporary Order of Prohibition
-1400269-

regarding their investment accounts; and 3) copy of any/all Promissory Notes between investors and Respondents Mazzulla and/or M&M.

22. Respondents made false statements to the Illinois Secretary of State in their response to the subpoena *duces tecum* by stating that they produced a list of all investor/clients, when the Department has evidence of at least one investor not provided in Respondents Response.
23. Respondent made false statements regarding the production of all correspondence to investors/clients regarding their investment accounts by stating that "they never did this" when in fact the Department has obtained evidence of at least one investor's correspondence with Respondents regarding their investment accounts.
24. Respondents Mazzulla and M&M made false statements to the Secretary of State by stating in their response to the *duces tecum* that they produced all promissory notes to the Department, when in fact the Department has obtained evidence of at least one investor who has signed promissory notes which were not included in Respondents' response.
25. Section 12.E states *inter alia* it shall be a violation of the provisions of this Act for any person to make, or cause to be made in any application, report or document filed under this Act or any rule or regulation made by the Secretary of State pursuant to this Act, any statement which was false or misleading with respect to any material fact.
26. By virtue of the foregoing, Respondents M&M and Mazzulla each violated Section 12.E of the Illinois Securities Law.

COUNT III

FAILURE TO PRODUCE

27. Paragraphs 1 through 26 are herein incorporated by reference.
28. As referenced in Paragraph 30, Respondents were required by the subpoena *duces tecum* issued by the Department to produce a list of all open or closed checking, savings and money market accounts in the names of Respondents M&M and/or Mazzulla.
29. Respondents failed to produce or identify any checking, savings, or money market accounts which are held in their names or for which they hold signatory authority.
30. Section 12.D of the Act states *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.

Temporary Order of Prohibition

-1400269-

- regarding their investment accounts; and 3) copy of any/all Promissory Notes between investors and Respondents Mazzulla and/or M&M.
22. Respondents made false statements to the Illinois Secretary of State in their response to the subpoena *duces tecum* by stating that they produced a list of all investor/clients, when the Department has evidence of at least one investor not provided in Respondents Response.
 23. Respondent made false statements regarding the production of all correspondence to investors/clients regarding their investment accounts by stating that “they never did this” when in fact the Department has obtained evidence of at least one investor’s correspondence with Respondents regarding their investment accounts.
 24. Respondents Mazzulla and M&M made false statements to the Secretary of State by stating in their response to the *duces tecum* that they produced all promissory notes to the Department, when in fact the Department has obtained evidence of at least one investor who has signed promissory notes which were not included in Respondents’ response.
 25. Section 12.E states *inter alia* it shall be a violation of the provisions of this Act for any person to make, or cause to be made in any application, report or document filed under this Act or any rule or regulation made by the Secretary of State pursuant to this Act, any statement which was false or misleading with respect to any material fact.
 26. By virtue of the foregoing, Respondents M&M and Mazzulla each violated Section 12.E of the Illinois Securities Law.

COUNT III

FAILURE TO PRODUCE

27. Paragraphs 1 through 26 are herein incorporated by reference.
28. As referenced in Paragraph 30, Respondents were required by the subpoena *duces tecum* issued by the Department to produce a list of all open or closed checking, savings and money market accounts in the names of Respondents M&M and/or Mazzulla.
29. Respondents failed to produce or identify any checking, savings, or money market accounts which are held in their names or for which they hold signatory authority.
30. Section 12.D of the Act states *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.

31. By virtue of the foregoing, Respondents M&M and Mazzulla each violated Section 12.D of the Illinois Securities Law.

COUNT IV

OFFER AND SALE OF UNREGISTERED SECURITIES

32. Paragraphs 1 through 31 are herein incorporated by reference.
33. As referenced in Paragraph 9, The promissory notes offered by Respondents Mazzulla and M&M constitute the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Act.
34. Section 5 of the Act requires the registration of a security being offered or sold in the State of Illinois unless an exemption applies.
35. To date, the promissory notes issued by Respondents M&M and Mazzulla have not been registered as a security with the Secretary of State of Illinois.
36. Section 12.A of the Act states *inter alia* that it shall be a violation of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.
37. Section 12.B of the Act states *inter alia* that it shall be a violation of the provisions of this Act for any person to deliver to a purchaser any security required to be registered under Section 5, Section 6, or Section 7 hereof unless accompanied or preceded by a prospectus that meets the requirements of the pertinent subsection of Section 5, Section 6, Section 7.
38. By virtue of the foregoing, Respondents M&M and Mazzulla have each violated Sections 12.A and 12.B of the Illinois Securities Law.

COUNT V

ACTING AS AN UNREGISTERED SALESPERSON

39. Paragraphs 1 through 38 are herein incorporated by reference.
40. On information and belief, Respondents M&M and Mazzulla, on several occasions and with several Illinois residents, sold unregistered securities in the State of Illinois.
41. Section 8 of the Act provides, *inter alia*, that all salespersons, except as otherwise provided, shall be registered with the Secretary of State.
42. Section 12.A of the Act states *inter alia* that it shall be a violation of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.

Temporary Order of Prohibition

-1400269-

43. Section 12.C of the Act states *inter alia* that it shall be a violation of the provisions of this Act for any person to act as a dealer, salesperson, investment adviser or investment adviser representative, unless registered as such, where such registration is required, under the provisions of this Act.
44. By virtue of the foregoing, Respondents M&M and Mazzulla each violated Sections 12.A and 12.C of the Illinois Securities Law.
45. Section 11.F(2) of the Act states *inter alia* the Secretary of State may temporarily prohibit, for a maximum period of 90 days, by an order effective immediately, the offer or sale of securities, or the offer or sale of securities by any person, or the business of rendering investment advice without the notice and prior hearing in this subsection prescribed, 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 which the Secretary of State reasonably believes will occur as a result of a prior violation of this Act.
46. The entry of this **Temporary Order** prohibiting Respondents **Jackson Hewitt M and M Tax Service and Michael A. Mazzulla** from offering or selling securities in or from the State of Illinois or engaging in any investment adviser activities 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.

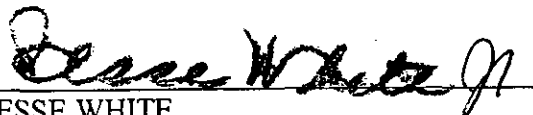
NOW IT IS HEREBY ORDERED THAT:

Respondent **JACKSON HEWITT M and M TAX SERVICE**, and any representative and employee, is PROHIBITED from the offer or sale of securities in or from the State of Illinois, and from engaging in any and all investment advice activities in or from the State of Illinois for a period of 90 days, effective November 3, 2014, subject to further order of the Secretary of State.

Respondent **MICHAEL A. MAZZULLA** is PROHIBITED from the offer or sale of securities in or from the State of Illinois, and from engaging in any and all investment advice activities in or from the State of Illinois for a period of 90 days, effective November 3, 2014, subject to further order of the Secretary of State.

Delivery of this Order or any subsequent notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 3rd day of November, 2014.



JESSE WHITE
Secretary of State
State of Illinois

Temporary Order of Prohibition
-1400269-

Attorney for the Secretary of State:
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Illinois Securities Department
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NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to Enforcement Attorney, Frank Loscuito, 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 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 and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

YOUR FAILURE TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER RECEIPT OF THIS ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE A SUFFICIENT BASIS TO MAKE THIS ORDER FINAL.

You are further notified that if you request a hearing that you may be represented by legal counsel, may present evidence; may cross-examine witnesses and otherwise participate. Failure to so appear shall constitute default unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules and Regulations promulgated under the Illinois Securities Law and pertaining to hearings held by the Office of the Secretary of State, Illinois Securities Department, are available at the Departments website:

<http://www.cyberdriveillinois.com/departments/securities/abtil.html>