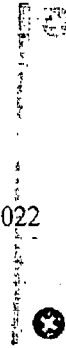


COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE SECRETARY OF THE COMMONWEALTH
SECURITIES DIVISION
ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

SECRETARY OF THE
COMMONWEALTH

2012 DEC 20 AM 11:22

SECURITIES DIVISION



Docket No. 2012-0022

IN THE MATTER OF:

TABLETOP ARENA, LLC

AND

CHRISTOPHER MELVILLE

RESPONDENTS.

CONSENT ORDER

This Consent Order (“Order”) is entered into by the Massachusetts Securities Division (“Division”) and Respondents Christopher Melville (“Melville”) and Tabletop Arena, LLC (“Tabletop”) in connection with the Offer of Settlement (the “Offer”) provided to the Division on December 17, 2012. The Offer was provided in response to the Division’s Administrative Complaint, *Docket No. 2012-0022*, filed by the Enforcement Section of the Division on August 9, 2012. The Complaint alleged violations of M.G.L. c. 110A in connection with Melville and Tabletop’s fraudulent offer and sale of unregistered and unexempt securities to at least twenty (20) investors in the Commonwealth of Massachusetts (*Docket No. 2012-0022*).

On December 17, 2012, Melville and Tabletop submitted an Offer of Settlement (appended hereto) for the purpose of disposing the allegations set forth in the Complaint thereby with prejudice. Solely for the purpose of these proceedings, Melville and Tabletop hereby admit the Division’s Allegations of Fact, as well as the Conclusions of Law and Violations of Law

contained herein, and consent, solely for the purpose of these proceedings, to the entry of this Order by the Division, consistent with the language and terms of the Offer, settling the claims brought thereby with prejudice.

I. JURISDICTION

1. The Massachusetts Securities Division is a Division of the Office of the Secretary of the Commonwealth with jurisdiction over matters relating to securities as provided for by the Massachusetts Uniform Securities Act, M.G.L. c. 110A (the "Act") and the regulations promulgated thereunder. The Act authorizes the Division to regulate: (a) the offers and/or sales of securities; (b) those individuals offering and/or selling securities within the Commonwealth; and (c) those individuals transacting business as broker-dealer agents within the Commonwealth.
2. The Division brought the Administrative Complaint pursuant to the enforcement authority conferred upon it by Section 407A of the Act and M.G.L. c 30A, wherein the Division has the authority to conduct an adjudicatory proceeding to enforce the provisions of the Act and all regulations and rules promulgated thereunder.
3. This proceeding is brought in accordance with Sections 101, 301, 201(a), 201(b), and 407A of the Act and its Regulations. Specifically, the acts and practices constituting violations occurred within the Commonwealth of Massachusetts.

II. RELEVANT TIME PERIOD

4. Except as otherwise expressly stated, the conduct described herein occurred during the period of April, 2010 up to and including the present.

III. RESPONDENTS

5. Tabletop Arena LLC (“Tabletop”) is a LLC organized under the laws of the Commonwealth of Massachusetts on April 16, 2010. In its Certificate of Organization filed with the Corporations Division of the Secretary of the Commonwealth, Tabletop describes the business of the LLC as “a hobby game store.” One of its main products sold is “Magic: The Gathering” cards and one of its main services is supporting the card playing community by hosting gaming events. Its principal place of business is identified as 103 Market Street, Lowell, Massachusetts 01852.

6. Christopher Melville (“Melville”) is the founding manager of Tabletop. Melville resides in Lowell, Massachusetts .

IV. FACTUAL ALLEGATIONS

UNREGISTERED AND UNEXEMPT SECURITIES OFFERINGS

7. On or about November 22, 2010, the Pennsylvania Securities Commission (“PSC”) alerted the Division to a Cease & Desist Order issued against Melville and Tabletop on November 22, 2010 for its unregistered and unexempt securities offerings directed at Pennsylvania residents.

8. Tabletop has never filed an application for the registration of securities to be offered and/or sold, either with the Division or with the United States Securities and Exchange Commission (“SEC”).

9. Tabletop has never filed a notice of exemption from registration for securities to be offered and/or sold either with the Division or with the SEC.

10. Tabletop has never been registered as an issuer with the Division or the SEC.

11. Melville has never been registered or exempted from registration as an issuer agent with the Division or the SEC.

GENERAL SOLICITATION

12. As of November 2010, Tabletop posted the following general solicitation from its website:

Helping out Tabletop Arena

Investing: Tabletop Arena has raised over 3/4 of the necessary capital to do business through players in local communities contributing small - midsize sums of money to our business in exchange for interest and ownership of the company. We thought we could get bank loans for the rest, but unfortunately, we cannot. We are still looking for investments into the company, and if you're interested in seeing our business models, please contact us! chris@tabletoparena.com.

(Emphasis in Original)

13. On or around October of 2011, Tabletop created a "Crowdfunding" page on its website, located at http://www.tabletoparena.com/crowd_funding, through which Tabletop used to generally solicit unregistered and unexempted securities.

14. Melville created the following content for the Tabletop website:

How Crowdfunding Works:

Business, projects, prototypes, or anyone can request money for a product or service by asking people for microloans, donations, or a commitment to repurchase [*sic*] items by asking the crowd to chip in a little at a time...

Social media is powerful, and we urge you to spread this message to all your game-loving friends. 800 people donating \$100 is all it will take to meet our greatest goals. I know it's a lot of people and money, but if everyone pitches in, I believe it's possible.

(Emphasis in original).

15. Tabletop and Melville solicited for sale \$80,000 in Tabletop securities.

16. Tabletop's website directed interested investors to write to Melville at "chris@tabletoparena.com for securities opportunities or more info."

17. Investors who wrote to Melville were provided with an offer of Tabletop securities through email, phone, and/or in person, along with an offering and disclosure document called "Business Proposal."

18. The stated purpose of Tabletop's Business Proposal was to raise \$80,000 through the offering of Tabletop debt securities, offered as a ten (10) year note purported to accrue 7% interest yearly.

CROWDFUNDING THROUGH SOCIAL MEDIA

19. On December 3, 2011, Tabletop posted links to its "Crowdfunding" website on its Facebook page located at <http://www.facebook.com/pages/Tabletop-Arena/223065071075506>.

20. On April 12, 2011, Melville posted links to Tabletop's "Crowdfunding" website on his personal Facebook account located at <http://www.facebook.com/profile.php?id=1851015582>, simultaneously stating:

We're looking for a total of \$40,000 to stabilize and grow the company... Good ROI... We have a few leads already, you can help!

21. On December 4, 2011, Melville posted links to Tabletop's "Crowdfunding" website on his personal Facebook account located at <http://www.facebook.com/profile.php?id=1851015582>.

22. On August 9, 2011, Melville posted onto his personal Facebook account, stating: "The business plan has been making its way around and we may even get new investors too."

23. On December 5, 2011, Tabletop's Twitter account, located at <https://twitter.com/#!/tabletoparena>, posted a solicitation to purchase Tabletop securities, which was linked to the "Crowdfunding" page on Tabletop's website.

24. On December 15, 2011, Tabletop's Twitter account, located at <https://twitter.com/#!/tabletoparena>, posted another solicitation to purchase soliciting Tabletop securities, which was linked to the "Crowdfunding" page on Tabletop's website.

25. In 2011, Tabletop created and maintained an account with Raisecapital.com¹ at <http://www.raisecapital.com/tag/At-least-read-it-and-critique-me-a-Hobby-Gaming-Superstore-cfb3>, which was linked to the “Crowdfunding” page on Tabletop’s website.

26. Tabletop’s Raisecapital.com account made the following offer of Tabletop securities:

We are looking for \$80,000 to invest in a 10 year venture at 7% annual return. You can view our working business plan here - <http://www.tabletoparena.com/themes/clients/tabletoparena/assets/business/bplan.current.docx> - Copy and Plast [sic] the whole link and the file will download off our website.

27. Between March 2010 and March 2012, Tabletop attended over twenty-five (25) gaming industry conventions, tournaments, and cross-country tours, handing out Tabletop business cards which contained an address to Tabletop’s website, which in turn also presented the “Crowdfunding” page.

28. Between March 2010 and March 2012, Tabletop’s website was linked to its Facebook and Twitter accounts, thereby effecting an ongoing general solicitation of its securities throughout this time to its customers in and beyond its Lowell, Massachusetts store.

SECURITIES SOLD

29. Beginning in March of 2010, Tabletop offered \$250,000 in debt securities, \$80,000 of which through its “Crowdfunding” page on the Tabletop website.

30. By January of 2012, Tabletop sold Tabletop debt securities to at least eighteen (18) investors and received \$129,150 in cash proceeds.

¹ Raisecapital.com describes itself on its website (at <http://www.raisecapital.com/page/about>) as follows: “RaiseCapital.com is an online community, where entrepreneurs can display their business ideas and capital needs to investors. Whether your venture is a start-up or existing business, RaiseCapital.com is the perfect vehicle for entrepreneurs seeking capital.”

31. Additionally, from March 2012 to September 2012, Melville and Tabletop continued to solicit and receive debt and equity securities in Tabletop from Investor-Manager, an individual who offered Melville a part-time job between March and July of 2012.

32. Melville and Tabletop received in sum total of over \$128,500 for various uses such as short term loans for trade shows and gaming events, rent, and inventory, in exchange for Investor-Manager taking 80% ownership of Tabletop.

33. The majority takeover of Tabletop by Investor-Manager is reflected in an updated corporate amendment filed with the Divisions of Corporations as of June 25, 2012.

34. The amendment lists Investor-Manager with an address of 25 Melville Ave, Dorchester, Massachusetts as the main manager and has a handwritten note stating "added [Investor-Manager] as an LLC Manager and authorized to execute, acknowledge, and deliver records."

35. The amendment lists both Investor-Manager and Melville as managers, but lists Investor-Manager first and incorporates a handwritten checkmark next to Investor-Manager.

36. On information and belief, the foregoing facts indicate that Investor-Manager became the de facto manager of Tabletop through his extending of credit and financial commitments to Melville and Tabletop.

37. Tabletop did not ascertain whether any of its investors, including Investor-Manager, were accredited, qualified, or otherwise eligible under any federal or Massachusetts securities laws to purchase unregistered securities offerings.

FRAUDULENT CONDUCT-FAILURE TO DISCLOSE MATERIAL INFORMATION²

38. Besides the template risk language in some of the “member agreements,” which Melville had sometimes utilized, Melville did not otherwise verbally or in writing disclose any risks to investors in connection with the offer and sale of Tabletop securities; instead, Melville testified that he subjectively surmised that Tabletop investments would ultimately succeed though he could not provide any objective basis in support thereof.

39. While Melville told investors that if insufficient funds were generated through Tabletop’s offerings, at which point Tabletop may have to declare bankruptcy, he did not disclose to investors the possibility that notwithstanding their investments in Tabletop, Tabletop may nevertheless have to declare bankruptcy.

40. The only disclosure document that Melville provided to Tabletop investors was the Business Proposal created by Melville.

41. No financial data or information that Melville disclosed to investors was ever audited or reviewed by any other person.

42. Melville did not disclose to investors any risks associated with businesses which provided only unaudited financials.

43. The Business Proposal’s “Profit and Loss” section contained no figures which itemized revenue, cost, or profit from which any reasonable investor could make an informed investment decision.

44. The Business Proposal’s “Profit and Loss” section contained only a vague and anecdotal report regarding Tabletop’s intentions to raise capital of up to \$80,000.

² In each allegation in this section titled “FRAUDULENT CONDUCT-FAILURE TO DISCLOSE MATERIAL INFORMATION,” the “Crowdfunding” page on Tabletop’s website was active and could be accessed by the general public as well as through social media websites, through which Tabletop actively solicited its securities offerings (see section titled “CROWDFUNDING THROUGH SOCIAL MEDIA”).

45. In order to finance a move of Tabletop's business from New Hampshire to Massachusetts, Melville offered short term Tabletop securities in the form of demand notes payable between six (6) months and one (1) year's time with an interest rate of up to 5.9%.
46. In connection with the offer and sale of these securities, Melville failed to disclose to investors the possibility that the lease application would be rejected or any other investment risk related to the purchase of these securities.
47. Melville's lease application was rejected on or around September of 2011.
48. In connection with the offer and sale of these securities, Melville failed to disclose to investors that a prospective landlord had rejected Tabletop's commercial lease application based on a lack of confidence in Tabletop's Business Proposal.
49. In connection with the offer and sale of these securities, Melville failed to disclose to investors that an additional basis on which Tabletop's commercial lease application was denied was that Melville's personal credit was unacceptably poor.
50. Tabletop and Melville accepted and retained investor funds, despite the rejection of Tabletop's commercial lease application, and even though the sole purpose of said funds was to pay for the lease at that particular location.
51. In addition to the Business Proposal, Melville privately maintains a spreadsheet which accounts for all the outstanding loans, defaults, and interests purportedly accrued by Tabletop.
52. Melville failed to disclose to investors the existence of this spreadsheet until certain investors demanded an accounting.
53. Upon information and belief, only one investor has received a copy of this spreadsheet.

54. Though Tabletop's securities are generally stated to mature in ten (10) years, Melville failed to disclose to investors the illiquid nature of these securities because there is no active secondary market for Tabletop notes.

55. Though Tabletop's securities promised a 7% annual interest, Melville failed to disclose to investors that no interest bearing instrument is accruing such interest in any banking or financial institution or escrow account and any figures are merely speculation based upon unproven business projections of possible future returns.

56. Melville failed to disclose to investors that Melville and Tabletop did not segregate business revenue from investor proceeds.

57. Melville commingled business revenue and investor proceeds in one bank account maintained at TD Bank NA until June of 2012, and subsequently did the same at an account maintained at Citizens Bank from July 2012 to the present.

58. Melville failed to disclose to investors that Tabletop and Melville overdrawed the TD Bank NA account and that said bank account was involuntarily closed from December 2011 to January 2012 due to it being overdrawn.

59. Melville made "guarantees" that operated to attach his personal income as collateral to notes sold to at least four (4) investors in order to induce investors to purchase Tabletop debt securities.

60. Melville's "guarantee" language is as follows:

If Tabletop Arena, in the event of failure, is unable to pay this promissory note a personal guarantee of the income of Christopher Melville must be used to make payments and pay any remaining balance of the promissory note.

61. Melville failed to disclose to investors that when Melville pledged his personal income as collateral to the notes sold to investors, Melville's only personal income was approximately \$1,100 a month earned from a part-time position at a Wal-Mart in Chelmsford, Massachusetts.

62. Melville failed to disclose to investors that his personal "guarantees" did not expressly extend to future income or attach to his personal property or any other asset.

63. Melville failed to disclose to investors that Tabletop's company van was repossessed in early 2012 by its creditor when Tabletop could no longer make regular payments towards the van's lease or purchase contract.

FRAUDULENT CONDUCT-MATERIAL MISREPRESENTATIONS

64. In March of 2011, in order to attend the PAX East gaming convention, Melville offered and sold short term Tabletop securities in the form of demand notes payable between six (6) months and one (1) year's time with an interest rate of up to 5.9%, to be payable from the revenue received from the convention, when Melville expected to generate profits.

65. No risk disclosures were made to any investors in the demand notes offered in March of 2011 and Tabletop securities were sold to at least three (3) investors with Melville's verbal promise that the event would be a success.

66. From March 2011 to December 2011, Melville failed to disclose to investors that Tabletop's attendance at the PAX East gaming convention in March of 2011 was a business failure which left Tabletop in net debt.

67. From March 2011 to December 2011, Melville provided investors Tabletop's Business Proposal, which included the statement that the PAX East gaming convention in 2011 was "overall [,] a success."

68. Tabletop's Business Proposal stated that "Christopher [Melville] ... does not currently draw money for personal expenses / compensation."

69. In fact, Melville drew a personal wage from Tabletop from July 2010 to August 2011 in sum total of at least \$22,218.

FRAUDULENT CONDUCT-CONCEALING PRIOR AND PENDING REGULATORY ACTIONS

70. Tabletop failed to disclose the Cease & Desist Order entered against Tabletop and Melville by the Pennsylvania Securities Commission (PSC) in November of 2011, even as it continued to offer Tabletop securities through its "Crowdfunding" website.

71. Tabletop failed to disclose to existing or prospective Tabletop investors of the Division's investigation into Tabletop and Melville's offer of unregistered securities after its existence was known to Melville.

72. Tabletop and Melville failed to answer a Subpoena Duces Tecum served from the Division on Tabletop and Melville on April 9, 2012, with a response due date of April 23, 2012.

73. Melville appeared for an On-The-Record testimony under oath to the Division on June 13, 2012.

74. Throughout said testimony, Melville concealed the fact that he had received at least \$22,400 in investments from Investor-Manager.

FRAUDULENT CONDUCT-CONCEALING EVENTS OF DEFAULT

75. By December of 2011, Tabletop defaulted on or was unable to repay at least ten (10) investors.

76. Melville failed to disclose to investors the existence of these events of default in the ongoing offer of Tabletop securities through its "Crowdfunding" website, which remained active and publically accessible into June of 2012.

77. By May of 2012, at least three (3) Tabletop investors had filed legal actions against Tabletop or Melville to pursue payments in arrears.

78. Melville failed to disclose the existence of these legal actions to investors in the ongoing offer of Tabletop securities through its "Crowdfunding" website, which remained active and publically accessible into June of 2012.

79. By June of 2012, at least three (3) Tabletop investors subsequently obtained judgments against Tabletop or Melville to collect payments in arrears.

80. Melville failed to disclose the existence of these judgments against Tabletop or Melville to investors in the ongoing offer of Tabletop securities through its "Crowdfunding" website, which remained active and publically accessible into June of 2012.

81. Melville purposefully excluded these three (3) Tabletop investors in communications about the financial future of Tabletop, as well as the specifics of Investor-Manager's takeover of Tabletop:

From: Christopher Melville <chris@tabletoparena.com>
Date: Sun, May 27, 2012 at 8:42 PM
Subject: Progress of the company (real version)
To: investors@tabletoparena.com

For the purpose of this conversation, I've removed [Investors 1, 2, and 3] from the conversation. I can't take the arguing any more over the same problems, over and over again.

Tabletop Arena is getting better, and [Investor-Manager], who is an incredibly smart business person has been watching the company. A little about him: he owns a lot of businesses and he has access to a lot of credit. He's decided he's interested in helping (owning) Tabletop Arena for his own benefit.

82. In or around June of 2012, Melville persuaded at least one (1) investor who obtained a judgment against Tabletop or Melville to sign a non-disclosure agreement because Melville believed that the judgment contained financial information about Tabletop and Melville that is “privileged.”

V. LEGAL CONCLUSIONS

83. As described in the paragraphs incorporated above, Tabletop and Melville violated Section 101 of the Act by misrepresenting the nature of Tabletop securities to Massachusetts investors.

84. As described in the paragraphs incorporated above, Tabletop and Melville violated Section 301 of the Act by offering and selling of Tabletop securities to Massachusetts investors without registering its securities with the Division or the SEC and without filing an exemption for registration in Massachusetts or the SEC.

85. As described in the paragraphs incorporated above, Tabletop and Melville violated Sections 201(a) and 201(b) of the Act by conducting business as an unregistered issuer and unregistered issuer agent to offer and sell Tabletop securities.

VI. VIOLATIONS OF LAW

A. VIOLATION OF § 101

86. Section 101 of the Act provides:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly

- (1) to employ any device, scheme, or artifice to defraud,
- (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or

(3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

87. Section 401(h) of the Act provides:

"Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust where the interests of the beneficiaries are evidenced by a security, an unincorporated organization, a limited liability company, a limited liability partnership, a government, or a political subdivision of a government.

88. Section 401(i)(2) of the Act provides:

"Offer" or "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value.

89. Section 401(i)(1) of the Act provides:

"Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value.

90. Section 401(k) of the Act provides:

"Security" means any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement; collateral-trust certificate; preorganization certificate or subscription; transferable share; securities contract; voting-trust certificate; certificate of deposit for a security; certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease; or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. "Security" does not include any insurance or endowment policy or annuity contract under which an insurance company promises to pay money either in a lump sum or periodically for life or some other specified period.

91. The Regulations at 950 CMR 14.401 provide:

Securities Contract, as used in M.G.L. c. 110A, § 401(k), includes:

(1) any securities in a common enterprise with the expectation of profit to be derived through the essential managerial efforts of someone other than the investor. As used in this subsection, a "common enterprise" means an enterprise in which

the fortunes of the investor are interwoven with and dependent upon the efforts and successes of those seeking the securities or a third party; and

(2) any securities by which an offeree furnishes initial value to an offeror, and a portion of this initial value is subject to the risks of the enterprise, and the furnishing of the initial value is induced by the offeror's promises or representations which give rise to a reasonable understanding that a valuable benefit of some kind over and above the initial value will accrue to the offeree as a result of the operation of the enterprise, and the offeree does not receive the right to exercise practical and actual control over the management of the enterprise.

92. The Division herein re-alleges and restates the allegations and facts set forth in Section IV above.
93. The conduct of Respondents Tabletop and Melville, as described above, constitutes violations of M.G.L. c. 110A, § 101.

B. VIOLATION OF § 301

94. Section 301 of the Act provides in pertinent part:

It is unlawful for any person to offer or sell any security in the commonwealth unless:

- (1) the security is registered under this chapter;
- (2) the security or transaction is exempted under section 402; or
- (3) the security is a federal covered security.

95. The Division herein re-alleges and restates the allegations and facts set forth in Section IV above.
96. The conduct of Respondents Tabletop and Melville, as described above, constitutes a violation of M.G.L. c. 110A, § 301.

C. VIOLATION OF § 201(a)

97. Section 201 of the Act provides in pertinent part:

(a) It is unlawful for any person to transact business in this commonwealth as a broker-dealer or agent unless he is registered under this chapter.

98. The Division herein re-alleges and restates the allegations and facts set forth in Section IV above.

99. The conduct of Respondents Tabletop and Melville, as described above, constitutes a violation of M.G.L. c. 110A, § 201(a).

D. VIOLATION OF § 201(b)

100. Section 201 of the Act provides in pertinent part:

(b) It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered.

101. The Division herein re-alleges and restates the allegations and facts set forth in Section IV above.

102. The conduct of Respondents Tabletop and Melville, as described above, constitutes a violation of M.G.L. c. 110A, § 201(b).

VII. SECRETARY'S DECISION AND ORDER

Based on the foregoing, it is the desire of all participants to settle the matter with respect to Respondents Tabletop and Melville. Finding that the same is in the best interest of the public and for the protection of investors, the Secretary has determined to accept the proposed Offer and resolve this matter through this Consent Order. THEREFORE, it is hereby ORDERED:

A. Respondents agree to cease and desist from acting as unregistered broker-dealers, unregistered broker-dealer agents, investment advisers, and investment adviser representatives and from effectuating the offer and sale of unregistered securities in the Commonwealth until and unless the securities are properly registered or sold pursuant to an exemption from registration under the Act;

B. Respondents agree to offer rescission to the individuals who purchased unregistered securities from Tabletop (the "Purchasers"):

1. Each offer of rescission shall be memorialized in a written letter ("Offer Letter") dated and sent to each Purchaser within ten (10) days of the entry of the Order. The terms, content, and manner of service of the Offer Letter shall be in a form acceptable to the Division. The Division shall also approve the list of Purchasers to whom the Offer Letters are sent.

2. The amount of such rescission shall include the full verified value of all principal invested with, or otherwise provided to, Respondents or any entity under Respondents' ownership or control, less all withdrawals, redemptions, interest payments or like payments received by the individual or entity from Respondents or any entity under Respondents' ownership or control.

3. Within sixty (60) days of the final payment to any investor, Respondents shall prepare, and submit to the Division, a report detailing the administration of the funds pursuant to the Order, which shall include, but is not limited to:

- i. A description of the distributions of funds to all eligible Purchasers, including, but not limited to:
 - a) Identification of all accepted and verified Purchasers.
 - b) Dates, amounts and methods of the transfer of funds for all distributions.
- ii. Identification and detailed descriptions of any objections received by Respondents in connection with the distribution of rescission.

C. At the request of the Respondents, the Division's staff may extend, for good cause shown, any of the procedural dates set forth above;

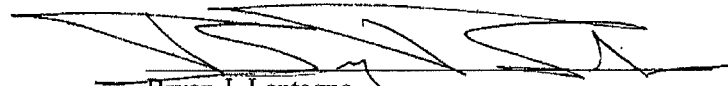
D. Respondents agree that they shall not seek or accept, directly or indirectly, reimbursement or indemnification, including, but not limited to, any payments made pursuant to

any insurance policy, with regard to all amounts that Respondents shall pay pursuant to the Division's Consent Order;

E. Respondents agree that they shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal or local tax for any amounts that Respondents shall pay pursuant to the Division's Consent Order;

F. Respondents agree that, upon issuance of this Order, if they fail to comply with any of the terms set forth in this Order, the Division may take appropriate action pursuant to Sections 204, 407A and 408 of the Act. Additionally, Respondents agree that after a fair hearing, and issuance of an appropriate order finding that the Respondents has not complied with this Order, the Division may move to have this Order declared null and void, in whole or in part, and reinstitute the administrative proceeding (Docket No. 2012-0022) and investigation that it had brought against Respondents.

WILLIAM FRANCIS GALVIN
SECRETARY OF THE COMMONWEALTH



Bryan J. Lantagne
First Deputy Secretary of State
Massachusetts Securities Division
One Ashburton Place, Room 1701
Boston, Massachusetts 02108

Dated: December ²⁰₁₁, 2012

PURSUANT TO SECTION 409 OF THE ACT ANY PERSON WHO WILLFULLY VIOLATES THIS ORDER SHALL UPON CONVICTION BE FINED NOT MORE THAN ONE HUNDRED THOUSAND DOLLARS OR IMPRISONED NOT MORE THAN TEN YEARS OR BOTH.