

ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL

IN THE MATTER OF:

Mary Hackney, Hackney Consulting Group, Inc., d/b/a HCG, Inc., and Philip Curtis,

Respondents.

ORDER TO CEASE AND DESIST

File No. 14092

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division") has been authorized and directed by the Securities Commissioner of South Carolina (the "Securities Commissioner") to administer the provisions of S.C. Code Ann. § 35-1-101, et seq., the South Carolina Uniform Securities Act of 2005 (the "Act"); and

II. RESPONDENTS

2. Respondent Hackney is an Ohio resident with a last known address of 1224 Fair Avenue, Columbus, Ohio 43205. At all times relevant to this Order, Hackney was the CEO and chief control person of HCG.
3. Respondent HCG is an Ohio corporation with a last known address of 1224 Fair Avenue, Columbus, Ohio 43205.

Respondent [redacted] is an Ohio resident with a last known address of [redacted] Columbus, Ohio 43205.

[Redacted text block containing multiple lines of blacked-out information]

reference to an advertisement for credit repair services and business funding that Curtis

had posted on CraigsList.com.

11. The Investor mentioned to Curtis that he was interested in credit repair services and would like to start and fund his own business.

19. The Investor purchased Corporation Package #1A from the Respondents for \$2,800.
20. Corporation Package #1A included, *inter alia*, the following:
 - a. The purchase of an eight- to ten-year-old “shelf corporation”;
 - b. Articles of Incorporation for said shelf corporation;
 - c. Two years’ worth of financial statements and tax returns for said shelf corporation; and
 - d. Funding of \$100,000-200,000.
21. The #1A Agreement stated that Corporation Package #1A had a sixty-day timeframe.
22. The #1A Agreement stated that the Investor was entitled to a refund if the Respondents were unable to fulfill the terms of the #1A Agreement.
23. On or about September 13, 2011, the Respondents and the Investor executed a Consulting Agreement for “Credit Package #1B” (the “#1B Agreement”)

24. The Investor purchased Credit Package #1B from the Respondents for \$3,800.

25. Credit Package #1B included, *inter alia*, the following:

a. The purchase of a credit processing number and

Respondents for \$3,000 each.

30. Corporation Package #1C included, *inter alia*, the following:
 - a. The purchase of a business name and business address; and
 - b. Funding of \$30,000.
31. The #1C Agreements stated that Corporation Package #1C had a sixty-day timeframe.
32. The #1C Agreements stated that the Investor was entitled to a refund if the Respondents were unable to fulfill the terms of the #1C Agreement.
33. On or about September 13, 2011, the Investor delivered to Curtis the two cashier's checks the Investor had obtained to purchase the Credit and Corporation Packages. Curtis cashed the two cashier's checks the same day.
34. Between September 14, 2011 and September 21, 2011, Curtis made four cash deposits into an account he controlled (the "Curtis Account"). These cash deposits totaled

of the Credit and Corporation Packages.

38. Contrary to the representations made to the Investor by the Respondents in connection

[REDACTED]

44. On or about November 21, 2011, the Investor and the Respondents executed an

agreement memorializing the terms of investment in the Investment Deal (the "Investor

Agreement").

45. The Investor Agreement contained several material representations regarding the Investor's investment, including, but not limited to, the following:

- a. The Investor would receive funding of one hundred thousand dollars (\$100,000) with a minimum investment of ten thousand dollars (\$10,000);
- b. The time frame for the Investor receiving a return on his investment was twenty-five (25) banking days;

The Respondents would also the Memorandum Understanding to the

with the offer and sale of the securities, the Monetization Investment Funds were used for the Respondents' personal expenses and the repayment of other clients' debts, including, but not limited to:

- a. Two wire transfers effected on or about November 22, 2011 totaling \$4,850 from the HCG Account to accounts controlled by other clients of HCG;
- b. A first class travel package to Fort Worth, Texas for \$2,250 using a debit card associated with the HCG Account; and

orders for four to six weeks, which was unacceptable to the Respondents.

55. Because of the unacceptable processing time, the Respondents offered two alternatives to the Investor:

- a. A refund of the purchase price of Corporation Package #1A and Credit Package #1B; or
- b. Investing the Investor's refund in a new program related to crude oil contracts (the "Crude Oil Investment").

56. The Respondents stated that they worked with a single trader who invested in crude oil and Mini Russell Futures.

57. The Respondents further stated that the trader with whom they worked had invested

successfully using his "winning" system.

58. The Respondents promised a 50% monthly return on investment in the Crude Oil Investment.

59. On or about January 17, 2012, in order to further entice the Investor to invest in the Crude Oil Investment, the Respondents sent an email to the Investor reporting that the

Investor's investment, including, but not limited to, the following:

- a. The Respondents were providing the Investor with an opportunity to invest with the Quantum Universal Crude Oil Platform ("Quantum");
- b. The Investor had invested a total of \$6,000 with the Respondents for transfer to Quantum;
- c. Along with the Investor's \$6,000, the Investor had an additional \$1,700 apparently obtained through Corporation Package #1C and the efforts of the Respondents. This additional \$1,700 was deposited with Quantum in the

refund of all monies he had invested with the Respondents.

67. Contrary to the representations made to the Investor by the Respondents in connection with the offer and sale of the securities, the Investor did not receive a refund within fourteen (14) days of the Investor's written request therefor.
68. The Investor never received a refund of the Monetization Investment Funds, the Crude Oil Investment Funds, or the Investor's payment for the Credit and Corporation

69. At no time relevant to the events stated herein was Respondent HCG registered with the Division as a broker-dealer, and no exemption from registration has been claimed.

70. At no time relevant to the events stated herein was Respondent Hackney registered with the Division as an agent, and no exemption from registration has been claimed.

- b. The Respondents falsely stating that they would contribute their own funds to the Investment Pool;
- c. The Respondents omitting to disclose to the Investor that they did not contribute any of their own money to the Investment Pool because the Respondents were tipped off that the Monetization Entity was a fraudulent company that was “taking people’s money”;

Investment would actually generate any profits for the Investor or the Respondents; and

- e. Respondent Hackney omitting to disclose that she had a past federal conviction for wire fraud.

IV. CONCLUSIONS OF LAW

engaged in the business of effecting transactions in securities for the account of others or for the person's own account.

80. Pursuant to S.C. Code Ann. § 35-1-401(a), it is unlawful for an individual to transact business in this State as a broker-dealer unless that individual is registered or exempt from registration.

81. Pursuant to S.C. Code Ann. § 35-1-402(a), it is unlawful for an individual to transact business in this State as an agent unless that individual is registered or exempt from registration.

82. Pursuant to S.C. Code Ann. § 35-1-501, it is unlawful for a person in connection with the

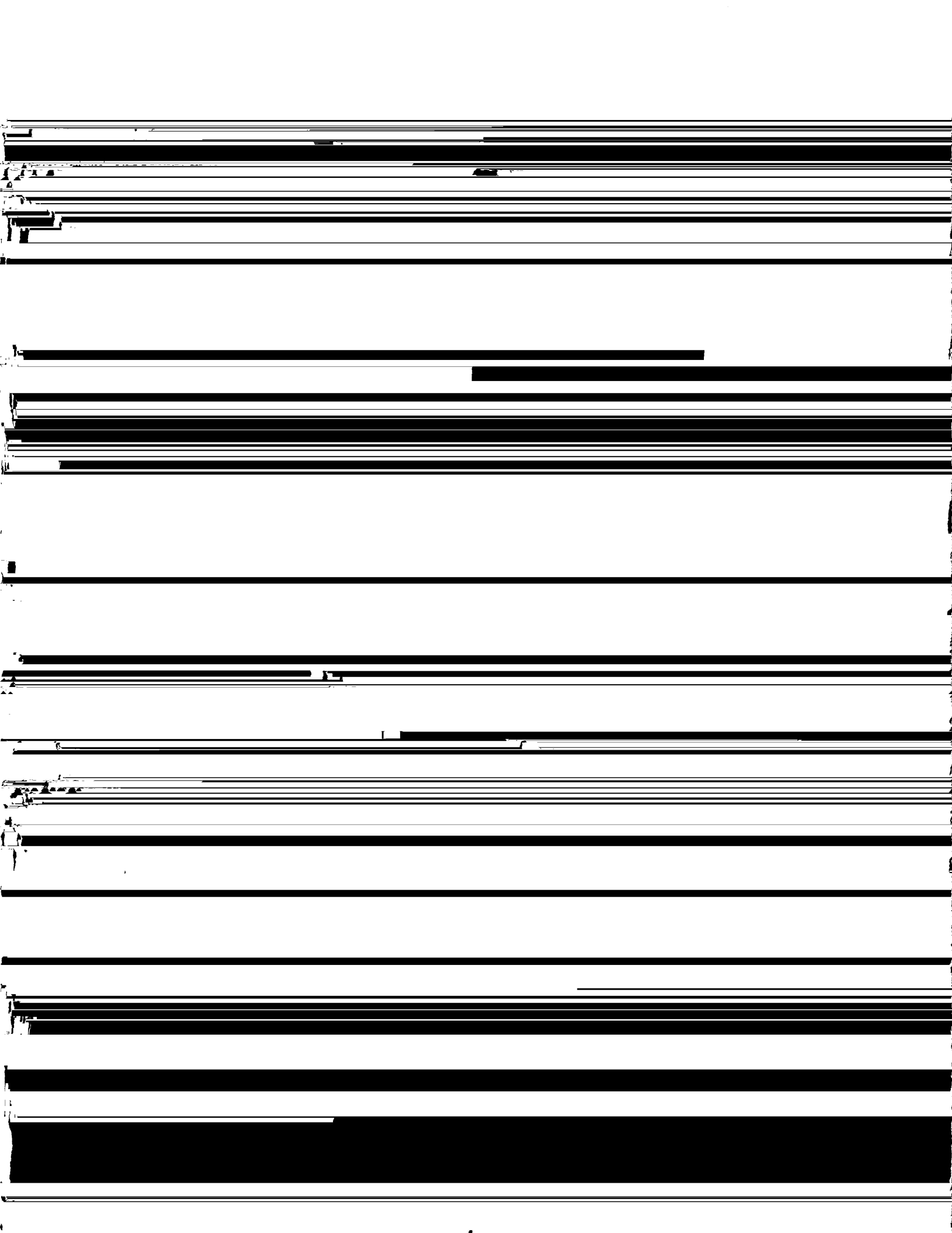
engaged in offering, selling, or purchasing securities in this State, to employ or associate with an agent who transacts business in this State on behalf of broker-dealers or issuers unless the agent is registered or exempt from registration.

83. Pursuant to S.C. Code Ann. § 35-1-501, it is unlawful for a person in connection with the

86 The Crude Oil Investment constitutes an investment contract and is therefore a security as

87 The securities offered and sold by the Defendants were not federal covered securities

exempt from registration nor registered with the United States Securities and Exchange



Hackney seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000 for each violation of the Act by Hackney, and the actual cost of investigation or proceeding;

- f. Respondent Philip Curtis pay a civil penalty in the amount of twenty-five thousand dollars (\$25,000) if this Order becomes effective by operation of law, or, if Respondent

an amount not to exceed \$10,000 for each violation of the Act by Curtis, and the actual

request for

Information requested under the Freedom of Information Act.

This document contains information that is exempt from disclosure under the Freedom of Information Act.

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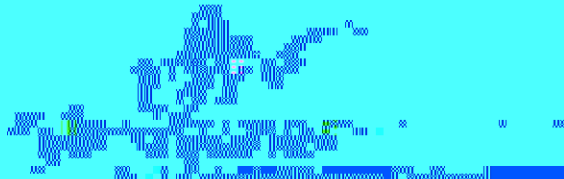
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