

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

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

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**

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on April 17, 2008 which prohibited Harold Carmical, Jr. and Tennessee Fried Rabbit, Inc., their partners, officers and directors, agents, employees, affiliates, successors and assigns ("Respondents") from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative;

WHEREAS, pursuant to section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any acts alleged therein and constitute a sufficient basis to make the Temporary Order final;

WHEREAS, the Respondents have failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the Temporary Order;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the Temporary Order as the Secretary of State's Findings of Fact as follows:

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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 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.

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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".

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19. By virtue of the foregoing, Respondents violated Sections 12.F, 12.G and 12.I 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. and Tennessee Fried Rabbit, Inc.** and their partners, officers and directors, agents, employees, affiliates, successors and assigns, are **PROHIBITED** from rendering investment advice and from offering or selling securities in or from this State.

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offence.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Dated: This 24th day of June 2008.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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