

Consent Order

2

- d. That Respondents sold or offered to sell common stock in Michelle Foods, Inc. to EB, Illinois Investor.
- e. That the activities described in paragraph 3 above constitutes the offer and sale of a security and 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");
- f. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
- g. That 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 security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
- h.. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
- i. That 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.

WHEREAS, by means of the Stipulation Respondents have acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

That Respondents' conduct described herein violated Section 12.A and Section 12.D of the Illinois Securities Law of 1953.

WHEREAS, by means of the Stipulation Respondents have acknowledged and agreed that they desires to resolve this matter absent further administrative action.

WHEREAS, by means of the Stipulation Respondents have acknowledged and agreed that Respondents shall pay restitution in the amount of \$3,500 to the Illinois Investor referred to as EB and identified in the Stipulation referenced herein. Said

restitution shall be payable as follows: \$1167 on or before December 1, 2008; \$1166 on or before January 1, 2008; and \$1166 on or before February 1, 2009. Each payment shall be in the form of a cashiers check payable to the Illinois Investor identified as EB and delivered to the Illinois Securities Department on or before the dates referenced herein.

WHEREAS, by means of the Stipulation Respondents have acknowledged and agreed that they shall be prohibited in whatever capacity from offering or selling any securities in the state of Illinois except as to those securities which are registered in the State of Illinois either by qualification or by coordination with any security registered under any provision of any Federal Statute or Regulation.

WHEREAS, by means of the Stipulation Respondents have acknowledged and agreed that they shall obtain a written legal opinion of compliance with the ACT prior to the offer or sale of any securities.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

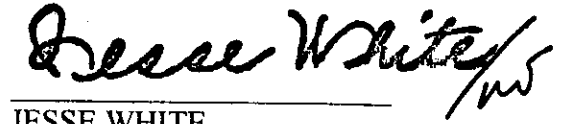
1. That Respondents shall pay restitution in the amount of \$3,500 to the Illinois Investor referred to as EB and identified in the Stipulation contained herein. Said restitution shall be payable as follows: \$1167 on or before December 1, 2008; \$1166 on or before January 1, 2008; and \$1166 on or before February 1, 2009. Each payment shall be in the form of a cashiers check payable to the Illinois Investor identified as EB and delivered to the Illinois Securities Department on or before the dates referenced herein.
2. That Respondents shall be prohibited in whatever capacity from offering or selling any securities in the state of Illinois except as to those securities which are registered in the State of Illinois either by qualification or by coordination with any security registered under any provision of any Federal Statute or Regulation.
3. That Respondents shall obtain a written legal opinion of compliance with the ACT prior to the offer or sale of any securities.

Consent Order

4

4. That the formal hearing scheduled on this matter is hereby dismissed without further proceedings.

DATED: This 26th day of November 2008.

Handwritten signature of Jesse White in black ink, with a horizontal line underneath the signature.

JESSE WHITE
Secretary of State
State of Illinois

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