

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

_____))
IN THE MATTER OF:))
CONSOLIDATED WEALTH HOLDINGS, INC.,))
JOHN SPALDING, LAURA SPALDING and SCOTT))
OSBORNE (CRD# 3200132)))
_____)

Case No.0800509

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENTS:

CONSOLIDATED WEALTH
HOLDINGS, INC.
2821 KENDALLWOOD PARKWAY, #3
GLADSTONE, MO 64119

CONSOLIDATED WEALTH
HOLDINGS, INC.
C/O DALE WHITE, AGENT
2821 KENDALLWOOD PARKWAY, #3
GLADSTONE, MO 64119

JOHN SPALDING
JOHNSON, SPALDING, DOYLE,
WEST & TRENT, L.L.P.
919 Milam Street, Suite 1700
Houston, TX 77002

LAURA SPALDING
2821 KENDALLWOOD PARKWAY, #3
GLADSTONE, MO 64119

SCOTT OSBORNE
2821 KENDALLWOOD PARKWAY, #3
GLADSTONE, MO 64119

SCOTT OSBORNE
11306 STARLIGHT BAY STREET
PEARLAND, TX 77346

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. Respondent Consolidated Wealth Holdings, Inc. ("CWH") is a Missouri corporation whose registration with the Missouri Secretary of State, Corporations

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2. Division, lists its business address as 2821 Kendallwood Parkway, #3 in Gladstone Missouri, 65101, and names Dale White as its registered agent.
3. Respondent John Spalding is a founder of and principal for CWH, and is licensed to practice law in Texas and has a legal practice at 919 Milam Street, Suite 1700, in Houston, Texas 77002.
4. Respondent Laura Spalding is a founder of and principal for CWH.
5. Respondent Scott Osborne (“Osborne”) is principal for CWH. Scott Osborne’s CRD registration lists his last known address as 11306 Starlight Bay Street in Pearland, Texas 77346.
6. CWH is in the business of creating and managing Life Settlements, and offering and selling them to the public as investment vehicles.

Failure to Register

7. A life settlement, also known as a viatical settlement, is a financial investment transaction in which a third party (the issuer) purchases a life insurance policy from the policy owner (the seller) for more than the policy’s cash surrender value. The issuer becomes the beneficiary of the seller’s insurance policy and finds an investor, or group of investors, that invest in the policy for the promise of annual compound interest on the investment to be paid along with the principal upon either the death of the seller or, in some contracts, on the seller’s life expectancy date, whichever occurs first.
8. In Illinois a life settlement contract constitutes an Investment Contract, and therefore, a security, pursuant to Section 2.1 of the Illinois Securities Law of 1953. 815 ILCS 5/1 *et seq.* (the “Act”).
9. CWH, through John Spalding, Laura Spalding, Scott Osborne, and its agents, made “offers” and “sales” of its Life Settlements to persons residing in Illinois, as those terms are defined in Sections 2.5a and 2.5 of the Act.
10. Section 5 of the Act requires all securities that are offered or sold in Illinois to be registered with the Illinois Secretary of State prior to their offer or sale in Illinois.
11. Section 12.A of the Act provides it shall be a violation of the provisions of the Act for any person to offer or sell any security except in accordance with the provisions of this Act.

12. Section 12. D of the Act provides that it shall be a violation of the provisions of the 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 the Act.
13. CWH's Life Settlements are not registered with the Illinois Secretary of State.
14. Respondents have violated Sections 12.A and D of the Act for failing to register the above-described securities with the Illinois Secretary of State.

Failure to Respond

15. Furthermore, pursuant to Section 11.C and D of the Act provides that the Illinois Secretary of State may require a person to file with the Secretary of State a statement in writing, or otherwise, as to all the facts and circumstances concerning the subject matter which the Secretary of State believes to be in the public interest to investigate, audit, exam, or inspect.
16. On August 20, 2008, pursuant to Section 11.C of the Act a Request for Information Letter ("RFIL") was sent, by United States Postal Service certified mail, to CWH care of John Spalding at CWH's registered business address, in which Respondents, within ten business days of receipt, were required to provide a notarized statement as to certain facts and circumstances concerning their sale of unregistered securities in Illinois.
17. On September 17, 2008, Respondents refused to accept the RFIL, and therefore, refused to provide a notarized statement responding to the requests for information contained in the August 20, 2008, Request for Information Letter as required pursuant to Sections 11.C and D. of the Act.
18. Section 12. D. of the Act provides that it shall be a violation of the 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 the Act.
19. Respondents violated Section 12.D of the Act for failing to file a notarized statement responding to the RFIL with the Secretary of State as required pursuant to Sections 11.C and D of the Act.
20. The aforementioned findings are based upon credible evidence.
21. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities or the business of rendering investment advice by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the

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Act or to prevent losses to investors that will occur as a result of prior violations of the Act.

22. The entry of this Temporary Order prohibiting Respondents from offering or selling securities in or from the State of Illinois 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.

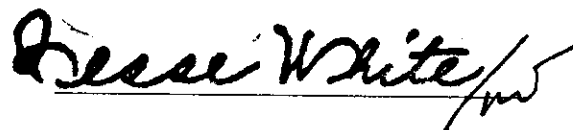
NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **CONSOLIDATED WEALTH HOLDINGS, INC.**, its managers, officers and directors, agents, employees, affiliates, representatives, successors and assigns, including, but not limited to, **JOHN SPALDING, LAURA SPALDING, and SCOTT OSBORNE** are **PROHIBITED** from offering or selling securities in or from this State or rendering investment advice in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West 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.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

ENTERED : This 31st day of October, 2008.

Jason Chronopoulos
Enforcement Attorney
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602



JESSE WHITE
Secretary of State
State of Illinois