

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation
6 of the Business Opportunity Fraud Act of the
7 State of Washington by:

S-04-183-04-CO01

CONSENT ORDER

8 Taxback, LLC; Shawn D. Hull; Lindsay J. Hull
9 and their employees and agents

Case No 04-183

10 Respondents.

11 **INTRODUCTION**

12 The Securities Division, Department of Financial Institutions, State of Washington, and Respondents
13 Taxback, LLC; Shawn D. Hull and Lindsay J. Hull do hereby agree to this Consent Order in settlement of the
14 matters alleged herein. Respondents neither admit nor deny the Tentative Findings of Fact and Conclusions
15 of Law as set forth below except as to the jurisdiction of the Securities Division to enter this Consent Order.

16 **TENTATIVE FINDINGS OF FACT**

17 **I.**

18 Taxback, LLC is an Arizona limited liability company that maintains a principal business address
19 of 3941 East Chandler Boulevard, Suite 106-307, Phoenix, Arizona 85048. Taxback, LLC offers an
20 opportunity to begin operation of a business that provides individuals and business owners a review of
21 their last three tax returns, to be conducted by a tax preparer independently contracted by Taxback, LLC,
22 for the purpose of identifying items that potentially provide tax refunds. Purchasers of the opportunity
23 receive a commission from Taxback, LLC based upon fees paid by clients of the independent tax
24 preparers. Taxback, LLC promotes its opportunity on an Internet website and claims opportunity
purchasers will “acquire a great number of clients.” The website contains the claims that “6 out of 10”
clients will receive a refund, and that the refunds average “between \$6,000 and \$10,000.” The website also
contains two testimonials; citing earnings of \$25,358.90 and \$13,000 from one client. Taxback, LLC also

1 promotes its opportunity on various business opportunity Internet pages. The promotions contain the
2 claims of how many clients get refunds and the average amount of the refunds.

3 II.

4 Shawn D. Hull is the President and owner of Taxback, LLC. Lindsay J. Hull is Operations
5 Director for Taxback, LLC.

6 III.

7 Respondents applied for registration as a business opportunity seller in the state of Washington
8 with the Securities Division on March 25, 2004. The Taxback business opportunity registration became
9 effective on May 25, 2004. It was discovered after the effective date of the registration that the
10 Respondents, acting in concert or on behalf of each other, sold or caused to be sold at least two
11 opportunities to Washington residents prior to the effective date of the registration. The purchase
12 documents signed by each purchaser informed them of a three-day “cooling off” or refund period, but did
13 not provide for a seven day cancellation period.

14 IV.

15 Taxback, LLC, Shawn D. Hull, and Lindsay J. Hull were not registered in the state of Washington
16 to offer or sell business opportunities in the state prior to the effective date of the registration referenced in
17 the Tentative Findings of Fact III.

18 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

19 CONCLUSIONS OF LAW

20 I.

21 The offer and/or sale of the tax preparation business opportunity as described in the above
22 Tentative Findings of Fact constitutes the offer and/or sale of a business opportunity as defined in RCW
23 19.110.020(1).
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II.

The offer and/or sale of the Taxback, LLC business opportunity as described in the above Tentative Findings of Fact was made in violation of RCW 19.110.050(1), the registration requirement provision of the Business Opportunity Fraud Act, because no business opportunity registration had been made effective nor a permit issued to Respondents prior to their advertising, soliciting or making an offer and/or sale of a business opportunity in the state.

III.

The offer and/or sale of the Taxback, LLC business opportunity as described in the above Tentative Findings of Fact was made in violation of RCW 19.110.110(4)(d), the business opportunity contract provision of the Business Opportunity Fraud Act, because the purchase documents failed to inform the purchaser of the seven-day cancellation period.

ORDER AND CONSENT

Based on the premises of the foregoing:

IT IS THEREFORE AGREED AND ORDERED That Respondents Taxback, LLC, Shawn D. Hull and their employees and agents, each shall cease and desist from offering and/or selling the Taxback, LLC business opportunity in violation of RCW 19.110.050(1), the registration requirement provision of the Business Opportunity Fraud Act.

IT IS FURTHER AGREED AND ORDERED That Respondents Taxback, LLC and Shawn D. Hull shall comply with RCW 19.110.110, the business opportunity contract provision of the Business Opportunity Fraud Act.

IT IS FURTHER AGREED AND ORDERED That Respondents Taxback, LLC and Shawn D. Hull shall make a written rescission offer for payment in full of the purchase price to each Washington resident to whom they sold the business opportunity prior to registration, such rescission offer to be made within thirty days of the entry of this Order. Respondents shall submit a copy of the rescission offer to the Securities Division for approval for use.

1 IT IS FURTHER AGREED AND ORDERED That Respondents Taxback, LLC and Shawn D.
2 Hull shall amend the business opportunity registration disclosure document approved for use in the state of
3 Washington to disclose the existence and contents of this Order, such requirement commencing from the
4 date of entry of this Order.

5 IT IS FURTHER AGREED AND ORDERED That Respondents Taxback, LLC, Shawn D. Hull
6 and their employees and agents who offer business opportunities in the state of Washington of the
7 existence and contents of this Order for a period of three years from the date of entry of this Order.

8 IT IS FURTHER AGREED That Respondent Taxback, LLC shall reimburse the Securities
9 Division \$1,500 for its costs of the investigation of this matter prior to the Division's entry of this Order.

10 IT IS FURTHER AGREED That Respondents Taxback, LLC and Shawn D. Hull each waive their
11 rights to a hearing in this matter.

12 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE**

13 Shawn D. Hull, as President of Taxback, LLC and individually:

14
15 /s/ Lindsay J. Hull Signed this 7th day of October , 2004.
Signature

16 Lindsay J. Hull as Operations Director of Taxback, LLC, and individually:

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18
19 /s/ Lindsay J. Hull Signed this 7th day of October , 2004.
Signature

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This Order entered by the Securities Division this 12th of October, 2004.


Michael E. Stevenson
Securities Administrator





Presented by: _____
Paul A. Laird
Securities Investigator

Martin Cordell
Chief of Enforcement

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