



1 **TENTATIVE FINDINGS OF FACT**

2 **I. PARTIES**

3 1. Jack McDonough (“McDonough”) is a Certified Public Accountant with a  
4 principal place of business at 11757 W. Ken Caryl Ave, Suite F-310, Littleton, Colorado 80127.

5 **II. NATURE OF THE OFFERING**

6 2. McDonough sends flyers and brochures to attorneys and CPAs offering an  
7 opportunity to make \$50,000 a month or more if they purchase his materials and follow his  
8 system. McDonough has sent these materials to and made offers to Washington State residents.

9 3. To receive the system which includes manuals, newsletters and materials on  
10 “How To Make \$50,000/month (or even more) Working Only 16 Hours/Week In The IRS  
11 Niche” individuals purchase memberships.

12 4. The Titanium Membership with a value of \$5,151 is only \$997 if you act within a  
13 certain period of time stated on the flyer or brochure. The Titanium Membership includes three  
14 manuals and the materials necessary to create a business representing clients in IRS proceedings.  
15 The Basic Membership with a value of \$1,496.50 is only \$697. The Basic Membership includes  
16 one manual and an audio CD.

17 5. Individuals may purchase a membership by checking the box that corresponds to  
18 the membership they are interested in, filling out the form and sending the flyer back to  
19 McDonough or by calling a 1-877 number listed on the flyer. Memberships can be paid for either  
20 with one payment or in monthly installments based on the membership purchased. McDonough  
21 accepts Visa, MasterCard, American Express or check.

22 6. The memberships are “backed by not one, but two iron-clad, no-risk, no-hassle,  
23 no-questions asked 100% money back guarantees.” If members use the system for more than

1 twelve months and do not make an extra \$50,000 profit members can receive a full refund of  
2 their money. Members also have the option to examine everything for six months and at anytime  
3 return the system for a full refund of their money.

### 4 III. MISREPRESENTATIONS AND OMISSIONS

5 7. McDonough failed to provide prospective purchasers material information  
6 regarding the opportunity, including but not limited to, a financial statement for McDonough.

### 7 IV. REGISTRATION STATUS

8 8. Jack McDonough is not currently registered to sell business opportunities in the  
9 state of Washington and has not previously been so registered.

### 10 V. EMERGENCY

11 The Securities Administrator finds that the continued offering of business opportunities  
12 in the manner described in Tentative Finding of Fact, presents a threat to the investing public.  
13 An emergency exists, in that further sales of business opportunities described above would be  
14 hazardous to investors and the public of the state of Washington.

15  
16 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

### 17 CONCLUSIONS OF LAW

18  
19 1. The offer or sale of business opportunities described above constitutes the offer  
20 or sale of a business opportunity as defined in RCW 19.110.020.

21 2. The offer or sale of said business opportunities is in violation of RCW 19.110.050  
22 because no registration for such offer or sale is on file with the Securities Administrator.

1           3.       The offer or sale of said business opportunities was made in violation of RCW  
2 19.110.120 because Respondent made misstatements of material fact or omitted to state material  
3 facts to prospective purchasers.

4           4.       The Securities Administrator finds that an emergency exists, that the continued  
5 violations of RCW 19.110.050 and RCW 19.110.120 constitute a threat to the investing public,  
6 and that a summary order to cease and desist from those violations is in the public interest and  
7 necessary for the protection of the investing public.

8  
9   **SUMMARY ORDER**

10           Based on the foregoing,

11           NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Jack  
12 McDonough, his agents and employees each shall cease and desist from offering or selling  
13 business opportunities in any manner in violation of RCW 19.110.050, the section of the  
14 Business Opportunity Fraud Act of Washington requiring registration.

15           It is further SUMMARILY ORDERED that Respondent, Jack McDonough, his agents,  
16 and employees each shall cease and desist from violation of RCW 19.110.120, the anti-fraud  
17 section of the Business Opportunity Fraud Act of Washington.

18  
19   **AUTHORITY AND PROCEDURE**

20           This Order is entered pursuant to the provisions of RCW 19.110.150 and is subject to the  
21 provisions of RCW 34.05. The Respondent, Jack McDonough, may make a written request for a  
22 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY  
23 FOR HEARING accompanying this order.

24 SUMMARY ORDER TO CEASE AND DESIST

1 If the Respondent does not request a hearing, the Securities Administrator intends to  
2 adopt the above Tentative Findings of Fact and Conclusions of Law as final and make the  
3 summary order to cease and desist permanent as to the Respondent.

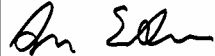
4  
5 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

6 Dated and Entered this 7th day of July, 2005

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9  
10 MICHAEL E. STEVENSON  
11 Securities Administrator

12 Approved by:

13 

14 Suzanne Sarason  
15 Chief of Compliance &  
16 Examinations

17 Presented by:

18 

19 Kate Reynolds  
20 Financial Legal Examiner