

STATE OF NORTH CAROLINA



Department of The
Secretary of State

In The Matter Of:)

THE NORTH CAROLINA SECURITIES DIVISION,)

Petitioner,)

vs.)

TFH, INC.,)

P.O. Box 2272)

Boone, North Carolina 28607)

WILLIAM MARTIN McNULTY, SR.,)

individually and in his capacity as)

President, Secretary and Treasurer of TFH, Inc.)

P.O. Box 2722)

Boone, North Carolina 28607)

JOEY CARL MINDER,)

1626 S. Church Street)

Burlington, North Carolina 27215)

**AND ANY AND ALL PERSONS OCCUPYING)
THE POSITION OF PARTNER, OFFICER,)
DIRECTOR OR OTHER SIMILAR FUNCTION)
OR POSITION, OR DIRECTLY OR INDIRECTLY)
CONTROLLING TFH, INC. AND ANY AND ALL)
PERSONS IN ACTIVE CONCERT AND)
PARTICIPATION WITH TFH, INC.,)
WILLIAM MARTIN McNULTY, SR. AND)
JOEY CARL MINDER,)**

Respondents.)

**SUMMARY ORDER
TO
CEASE AND DESIST**

FILE NO. 03-041-IG

Pursuant to the authority granted by Chapter 78A of the North Carolina General Statutes (the North Carolina Securities Act), hereinafter referred to as the "Securities Act," and the rules promulgated thereunder, the Securities Division of the Department of the Secretary of State, hereinafter referred to as the "Division," has investigated the activities of **TFH, INC.** (hereinafter "TFH"), **WILLIAM MARTIN McNULTY, SR.** (hereinafter "McNulty"); and **JOEY CARL MINDER** (hereinafter "Minder") to determine if they have engaged in, or are about to engage in, any act or practice constituting a violation of the Securities Act or any rule or order thereunder.

THE DIVISION has filed an Administrative Petition against the above named Respondents seeking, among other remedies, a temporary and summary Cease and Desist Order pursuant to the provisions of N.C.G.S. §78A-47(b)(2).

THE SECRETARY OF STATE, acting by and through her duly authorized Deputy Securities Administrator, from the investigation and the information derived therefrom, and for the protection and preservation of the public welfare and in the public interest, makes the following:

FINDINGS OF FACT

1. Respondent TFH is, upon information and belief, a corporation organized and existing under the laws of the State of Nevada. The mailing address for TFH is Post Office Box 2272, Boone, North Carolina 28607.
2. Respondent McNulty was, at all times complained of herein, a natural person who, upon information and belief, occupied the positions of President, Secretary and Treasurer of Respondent TFH.
3. Respondent Minder is a natural person who resides in Burlington, North Carolina and, upon information and belief, is an agent of Respondent TFH. In his capacity as

agent for TFH Respondent Minder has engaged in the solicitation of members of the public in North Carolina on behalf of Respondents TFH and McNulty.

4. Commencing in 2002 and continuing through 2003, Respondents TFH, McNulty, and Minder have offered and sold to members of the public in North Carolina a “loan program” in which a return of one hundred percent (100%) on principal is to be repaid by Respondent TFH at maturity. The time period between investment and maturity of the repayment obligation varies from one hundred twenty (120) days to one hundred eighty (180) days. Respondents represent to investors that their funds will be used for various vague and inconsistent purposes, such as diamond purchases, “offshore” investments, or “European” investments. Respondents encourage investors to make loans to TFH in the form of cash, to refrain from publicizing any information regarding the investment, and to make additional “loans” to TFH at maturity of the obligation under terms and conditions identical or similar to the original “loan.” The TFH “loans” are neither insured nor secured by collateral.

5. The TFH “loan program” as described herein constitutes a “security,” as that term is defined pursuant to N.C.G.S. §78A-2(11), to members of the public in North Carolina.

5. The securities of TFH, as offered and sold to members of the public in North Carolina by Respondents, were not registered with the Securities Division of the Department of the Secretary of State under the provisions of the North Carolina Securities Act prior to being offered and sold in North Carolina.

6. At all times complained of herein, Respondents TFH, McNulty and Minder were not registered as dealers or salesmen of securities, as required by N.C.G.S. §78A-36.

7. In connection with the offer and sale of the aforesaid securities to the public in North Carolina, the Respondents willfully omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made,

not misleading in that the Respondents omitted to state to offerees that:

- a) The securities being offered were not registered pursuant to the provisions of the North Carolina Securities Act; and
- b) The Respondents were not registered as dealers or salesmen of securities pursuant to the provisions of the North Carolina Securities Act.

CONCLUSIONS OF LAW

1. The Secretary has statutory authority pursuant to N.C.G.S. §78A-47(b)(2) to enter and issue a temporary and summary Cease and Desist Order against the Respondents.
2. There is reasonable cause to believe the Respondents have engaged in willful violations of the North Carolina Securities Act, specifically N.C.G.S. §§78A-8, 78A-24 and 78A-36.
3. There is reasonable cause to believe the Respondents will continue to commit acts and omissions in violation of the North Carolina Securities Act.
4. It is necessary and appropriate for the protection and preservation of the public interest that the Respondents be summarily ordered to cease and desist from making offers and sales of securities in violation of the North Carolina Securities Act and, in connection with such solicitations, omitting to state material facts necessary to make other statements made, in light of the circumstances under which they were made, not misleading.
5. The public interest would be irreparably harmed by the delay inherent in issuing an order under the provisions of N.C.G.S. §78A-47(b)(1).

NOW, THEREFORE, IT IS ORDERED, pursuant to the authority contained in

N.C.G.S. §78A-47(b)(2), that Respondents **TFH, INC., WILLIAM MARTIN McNULTY, SR., JOSEPH CARL MINDER, AND ANY AND ALL PERSONS OCCUPYING THE POSITION OF PARTNER, OFFICER, DIRECTOR OR OTHER SIMILAR FUNCTION OR POSITION, OR DIRECTLY OR INDIRECTLY CONTROLLING TFH, INC. AND ANY AND ALL PERSONS IN ACTIVE CONCERT AND PARTICIPATION WITH TFH, INC., WILLIAM MARTIN McNULTY, SR., AND JOEY CARL MINDER** shall immediately cease and desist:

- a. offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, the securities of TFH, Inc. in the form of a “loan program” and any security of any issuer, howsoever denominated, unless and until such securities have been registered pursuant to the provisions of the North Carolina Securities Act;
- b. offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, the securities of TFH, Inc. in the form of a “loan program” and any security of any issuer, howsoever denominated, unless and until said entity and persons become registered as dealers or salesmen of securities pursuant to the provisions of the North Carolina Securities Act; and
- c. in connection with the offer, sale or purchase of any security, omitting to state material facts necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading.

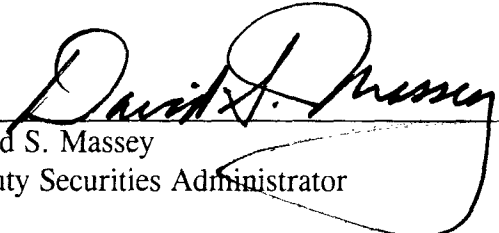
NOTICE IS HEREBY GIVEN that the Respondents may request a hearing upon this matter by transmitting such request, in writing, to David S. Massey, Deputy Securities Administrator, Securities Division, Department of the Secretary of State, Post Office Box 29622, Raleigh, North Carolina 27626-0622. A copy of any such request shall be served by first-class mail upon Forrest W. Goldston, Chief Enforcement Attorney, Securities Division, Post Office Box 29622, Raleigh, North Carolina 27626-0622. If such a request is made, this matter shall be scheduled for hearing in accordance with Chapter 150B of the North Carolina General Statutes within twenty

(20) days after receipt by the Deputy Securities Administrator of the written request. If no request for hearing, other responsive pleading, or submission is received by the Deputy Securities Administrator within thirty (30) business days of the receipt of service hereof, this Summary Order To Cease And Desist shall become final and remain in effect unless it is modified or vacated by the Secretary of State in her capacity as Administrator of the North Carolina Securities Act.

WITNESS MY HAND AND THE OFFICIAL SEAL of the North Carolina Department of the Secretary of State, this the 12th day of February, 2004.

Time of entry: 3:19 P. M.

ELAINE F. MARSHALL
SECRETARY OF STATE OF NORTH CAROLINA and
Securities Administrator

By: 
David S. Massey
Deputy Securities Administrator

