

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: DAL SANTO CAPITAL MANAGEMENT,) Case No. 0700029
>ROBERT, DAVID, SAMUEL DAL SANTO)

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENT:

Robert Dal Santo
1061 Boulder Place
Oceanside, California 92057

Samuel Dal Santo
1061 Boulder Place
Oceanside, California 92057

David Dal Santo
1899 Deere Lane
Glendale Heights, Illinois 60139

Dal Santo Capital Management, LLC
1899 Deere Lane
Glendale Heights, Illinois 60139

The Lucid Fund, LLC n/k/a A Better Sound, LLC
1899 Deere Lane
Glendale Heights, Illinois 60139

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. That Robert Dal Santo, ("Robert", or collectively with Samuel Dal Santo and David Dal Santo, "Respondents") is an individual whose last known address is 1061 Boulder Place, Oceanside, California 92057. Robert was responsible for trading and sales of the Lucid Fund.

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2. That Samuel Dal Santo, ("Samuel", or collectively with Robert Dal Santo and David Dal Santo, "Respondents") is an individual whose last known address is 1061 Boulder Place, Oceanside, California 92057. Samuel was responsible for sales of the Lucid Fund.
3. That David Dal Santo, ("David", or collectively with Robert Dal Santo and Samuel Dal Santo, "Respondents") is an individual whose last known address is 1899 Deere Lane, Glendale Heights, Illinois 60139. David was responsible for accounting for the Lucid Fund and prepared the Investor Account Statements.
4. That Dal Santo Capital Management ("Dal Santo Capital") is a business entity with the last known address of 1899 Deere Lane, Glendale Heights, Illinois 60139. Robert Dal Santo is the Managing Member of Dal Santo Capital.
5. That Lucid Fund n.k.a. A Better Sound, LLC ("Lucid Fund") is a business entity with the last known address of 1899 Deere Lane, Glendale Heights, Illinois 60139. Robert Dal Santo is the Managing Member of the Lucid Fund.
6. That Lucid Fund was an investment fund that would derive profits from online stocks and options trading. Robert was was responsible for making the trades based on a formula that he had created for online trading.
7. That on or around May 3, 2004, Robert and Samuel met with Illinois Investor #1, and solicited from him an investment in Lucid Fund.
8. That Robert described Lucid Fund to Illinois Investor #1 as an investment fund that would derive profits from online stocks and options trading, and that the minimum investment required for participating in Lucid Fund was \$100,000.00. Robert further explained to Illinois Investor #1 that he had successfully made profits by trading stocks and options online over the past four or so years, and that the Lucid Fund would make trades to derive profits based on a formula that he had created for online trading.
9. That on or around May 3, 2004, Robert and Samuel collected a check from Illinois Investor #1 in the amount of \$90,000.00 for an investment in Lucid Fund. At this time, Robert and Samuel also told Illinois Investor #1 that he had to sign an Accredited Investor Certificate that was a part of a larger offering memorandum.
10. That on or around May 13, 2004, another check was collected from Illinois Investor #1 for an investment in Lucid Fund in the amount of \$10,000.00.
11. That on or around November 22, 2004, Robert met with Illinois Investor #2, and also solicited from him an investment in Lucid Fund.
12. That Robert described Lucid Fund to Illinois Investor #2 as an investment fund that would derive profits from online stocks and options trading, and that the minimum

investment required for participating in Lucid Fund was \$100,000.00. Robert further explained to Illinois Investor #2 that he had successfully made profits by trading stocks and options online over the past four or so years, and that Lucid Fund would make trades to derive profits based on a formula that he had created for online trading.

13. That on or around November 22, 2004, Robert collected a check from Illinois Investor #2 in the amount of \$50,000.00 for an investment in Lucid Fund, which Robert accepted although it was below the minimum investment requirement. At this time, Robert also told Illinois Investor #2 that he had to sign an Accredited Investor Certificate that was a part of a larger offering memorandum.

Fraud

14. That within a few months after their investment, Dal Santo Capital Management began providing to the investors Lucid Fund Account Statements that were prepared by David Dal Santo.
15. That the last statement provided to Illinois Investor #1, dated January 31, 2006, stated that Illinois Investor #1's investment in Lucid Fund had a value of \$122,368.59, for a profit of \$22,368.59.
16. That the last statement provided to Illinois Investor #2, dated January 31, 2006, stated that Illinois Investor #2's investment in Lucid Fund had a value of \$52,224.95, for a profit of \$2,224.95.
17. That despite providing these quarterly statements to Illinois Investor #1 and Illinois Investor #2 that showed profits for the investments in Lucid Fund, Respondents knew that the statements were false, and that at no time did either Illinois Investor #1 or Illinois Investor #2 make any profits from their investments in Lucid Fund.
18. That Section 12.F of the Act provides that it shall be a violation of the provisions of this Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
19. That Section 12.G of the Act provides that it shall be a violation of the provisions of this Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
20. That Section 12.I of the Act provides that it shall be a violation of the provisions of this Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.

21. That by virtue of the foregoing, Respondents violated Sections 12.F, G, and I of the Act.

Fraud

22. That Robert told Illinois Investor #1 and Illinois Investor #2 that the monies invested in Lucid Fund would be used to trade stocks and options online based upon the successful formula for trading that Robert had developed over the past four or so years. However, the Investors' funds were diverted and used for Respondents' own purposes.
23. That Respondents willfully used and knew that they were using Investor funds for purposes other than the purposes stated to the investors.
24. That despite having this knowledge and accepting money from Illinois Investor #1 and Illinois Investor #2, Respondents failed to disclose to the Investors that they were using the Investors' funds for purposes other than the purposes stated orally to the Investors and stated in the offering memorandum.
25. That Section 12.F of the Act provides that it shall be a violation of the provisions of this Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
26. That Section 12.G of the Act provides that it shall be a violation of the provisions of this Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
27. That Section 12.I of the Act provides that it shall be a violation of the provisions of this Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
28. That by virtue of the foregoing, Respondents have violated Sections 12.F, G, and I of the Act.
29. That the aforementioned findings are based upon credible evidence.
30. That Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.

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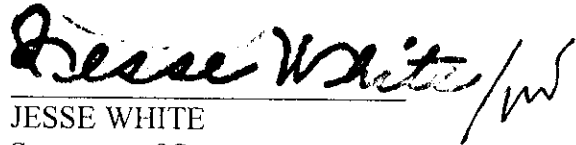
31. That the entry of this Temporary Order prohibiting Robert Dal Santo, Samuel Dal Santo, David Dal Santo, Dal Santo Capital Management, LLC, and Lucid Fund, LLC, n/k/a A Better Sound, LLC from offering or selling securities in the State of Illinois is in the public interest and for the protection of 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, Robert Dal Santo, Samuel Dal Santo, David Dal Santo, Dal Santo Capital Management, LLC, and Lucid Fund, LLC, n/k/a A Better Sound, LLC, his/their managers, officers and directors, agents, employees, affiliates, representatives, successors and assigns are **PROHIBITED** from offering or selling securities 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.

Dated: This 18th day of January 2008.



JESSE WHITE
Secretary of State
State of Illinois

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