

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: PUBLIC COMMUNICATION SERVICES, )  
INC., ITS OFFICERS, DIRECTORS ) File No.0200860  
EMPLOYEES, AGENTS, AFFILIATES, )  
SUCCESSORS, AND ASSIGNS AND )  
SPRAWLNET.COM, INC. )

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ORDER OF PROHIBITION AND FINE

TO THE RESPONDENT: Public Communication Services, Inc.  
a/k/a Sprawl.net.com, Inc.  
1811 Northeast 146 Street  
North Miami, Florida 33181

WHEREAS, the above-captioned matter came on to be heard on November 19, 2003 and the record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative.

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State.

WHEREAS, the proposed Findings of Fact, Conclusions of Law and Recommendation of the Hearing Officer, Jon Ellis, in the above-captioned matter have been read and examined.

WHEREAS, the proposed Findings of Fact of the Hearing Officer are adopted as the Findings of Fact of the Secretary of State and renumbered, as follows:

1. The evidence and exhibits have been offered and received from the Department and a proper record of all proceedings has been made and preserved as required by law.
2. The Hearing Officer has ruled on all motions and objections timely made and submitted.

3. The Hearing Officer and the Secretary of State Securities Department have jurisdiction over the parties herein and the subject matter dealt with herein, due and proper notice having been previously given as required by statute in this Matter.
4. As no Answer was filed, The Respondents are therefore deemed to be in default.
5. That all times relevant hereto, The Respondents are purported corporations, which maintain a last known business address of 1811 Northeast 146 Street, North Miami, Florida 33181.
6. That Section 2.1 of the Act (815 ILCS 5/2.1) defines the term "security" as any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit sharing agreement, collateral trust certificate, pre-organization certificate or subscription, transferable share, investment contract, investment fund share, face-amount certificate, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral lease, right or royalty, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. "Security" does not mean a mineral investment contract or a mineral deferred delivery contract; provided, however, the Department shall have authority to regulate these contracts as hereinafter provided.
7. That Section 2.5 of the Act (815 ILCS 5/2.5) defines the term "Sale or Sell" to include the full meaning of that term as applied by or accepted in the courts of this State, and shall include every contract of sale

or disposition of a security or interest in a security for value.

8. That Section 2.5a of the Act (815 ILCS 5/2.5a) defines the term "Offer" to include every offer to sell or otherwise dispose of, or solicitation of an offer to purchase, a security or interest in a security for value; provided that the term "Offer" shall not include preliminary negotiations or agreements between an issuer and any underwriter or among underwriters who are or are to be in privity of contract with an issuer, or the circulation or publication of an identifying statement or circular or preliminary prospectus, as defined by rules or regulations of the Secretary of State.
9. That the Respondents induced at least one Illinois resident to purchase said securities as detailed and documented in the Department's Exhibits and evidence without first having registered the securities with the Illinois Secretary of State as is required by the Act. The foregoing actions, representations, and/or omissions tend to work a fraud upon Illinois purchasers and were made to obtain money from Illinois purchasers.
10. That Section 12.A of the Act (815 ILCS 5/12.A) provides, inter alia, that it shall be a violation of the Act for any person to offer or sell any securities except in accordance with the provisions of the Act.
11. That Section 12.D of the Act (815 ILCS 5/12.D) provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document required to be filed under any provision of the Act.
12. That by virtue of the foregoing, the Respondents have violated Sections 12.A and 12.D of the Act.
13. That Section 11.E(2) of the Act (815 ILCS 5/11.E (2)) provides that if the Secretary of State shall find that any person has violated subsection D of Section 12 of this Act, the Secretary of State may by written order temporarily or permanently prohibit or suspend the person from offering or selling any securities, any mineral investment contract, or any mineral

deferred delivery contract in this State, provided that any person who is the subject of an order of permanent prohibition may petition the Secretary of State for a hearing to present evidence of rehabilitation or change of circumstances justifying the amendment or termination of the order of permanent prohibition.

14. That Section 11.E(4) of the Act (815 ILCS 5/11.E (4)) provides that in addition to any other sanction or remedy contained in this subsection E, the Secretary of State, after finding that any provision of this Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, and may issue an order of public censure against the violator.
15. The entry of a Final Order of Prohibition and fine up to \$10,000.00 per violation is proper in this case, given the conduct of the Respondents as described in Secretary of State Exhibits No. 1-5 and the testimony presented, as well as the fact that the Respondents failed to appear at the hearing and properly answer the charges.

#### CONCLUSIONS OF LAW

1. After proper notification, the Department may proceed with a hearing in the Respondents' absence. (735 ILCS 5/1-105 and 5/2-1301; Ryan v. Bening, 1978, 22 Ill.Dec. 873, 66 Ill.App.3d 127, 383 N.E.2d 681; Koenig v. Nardullo, 1968, 99 Ill.App.2d 480, 241 N.E.2d 567; In Re the Marriage of Garde, 1983, 73 Ill.Dec. 816, 118 Ill.App.3d 303, 454 N.E.2d 1065). Significantly, the Notice of Hearing outlines that a default judgment may be entered against a Respondent who fails to appear or answer the charges.
2. The Respondents' actions, representations, and/or omissions which were made in connection with the offer or sale of unregistered securities and tended to work a fraud upon Illinois purchasers are a violation of 815 ILCS 5/12.A. The Respondents' actions, representations, and/or omissions made in connection with a failure to file required documents with the Secretary of State are a violation of 815 ILCS 5/12.D.

3. That by virtue of the foregoing, the Respondents are subject to an Order of Prohibition in the State of Illinois and/or granting such other relief as may be authorized under the Act.
4. Because of the Findings of this Order, the documents admitted as Secretary of State Exhibits Nos.1-5 and the testimony, as well as the fact that the Respondents failed to answer the charges or appear at the hearing, the entry of a written Order of Prohibition pursuant to 815 ILCS 5/11.E (2) which permanently prohibits the offer or sale of securities by the Respondents in the State of Illinois, and a fine up to \$10,000.00 per violation pursuant to 815 ILCS 5/11.E(4), is proper in this Matter.

WHEREAS, the Secretary of State adopts the Hearing Officer's Recommendation.

NOW THEREFORE IT IS HEREBY ORDERED that pursuant to the authority provided under section 11.E(2), 11.E(4) of the Act:

- (1) The Respondents are permanently prohibited from offering or selling securities in the State of Illinois; and
- (2) The Respondents shall pay a fine of \$20,000 (\$10,000 for two violations).

Entered: This 12<sup>th</sup> day of January, 2004.



JESSE WHITE  
Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be violation of 12.D of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.