

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: MILLENNIUM ASSOCIATES,)
WALL STREET DIRECT, INC.,)
THEIR OFFICERS, DIRECTORS,) File No. 0300745
EMPLOYEES, AFFILIATES, SUCCESSORS,)
AGENTS AND ASSIGNS,)
MARK S. PERLMUTTER,)
GEORGE F. HOLMES AND PETER HARE)

AMENDED NOTICE OF HEARING

TO THE RESPONDENT: Mark S. Perlmutter
Wall Street Direct
C/O Thomas Kelty
Armstrong Teasdale LLP
3201 Pleasant Run, Suite A
P.O. Box 13317
Springfield, Illinois 62791-3317

Mark S. Perlmutter
Wall Street Direct
C/O Scott Kozak
Armstrong Teasdale LLP
One Metropolitan Square
Suite 2600
St. Louis, Missouri 63102-2740

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953, [815 ILCS 5/1 et seq.] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 300 West Jefferson, Suite 300A, Springfield, Illinois 62702, on the 16th day of February, 2005, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. Ellis, or such other duly designated Hearing Officer of the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Notice.

Said hearing will be held to determine whether an Order of Prohibition should be entered against Millennium Associates and Wall Street Direct, Inc., their Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Mark Perlmutter, George F. Holmes and Peter Hare (the "Respondents") in the State of Illinois and granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to Section 11

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of the Act, payable within ten (10) days of the entry of the Order.

The grounds for such proposed action are as follows:

Count I (Violation of 12.F and 12.G; Teleshare Communications)

1. That Respondent, Millennium Associates is a purported business entity, with a last known address of 7100 W. Camino Real, Suite 401, Boca Raton, Florida 33433;
2. That Wall Street Direct, Inc., is a purported business entity, with a last known address of 600 Townsend St., Suite 149E, San Francisco, California 94103;
3. That at all times relevant, the Respondent George F. Holmes was an officer, director, agent or employee of Millennium Associates;
4. That during the months of June and July, 1999, Millennium Associates, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including George F. Holmes, offered and sold to at least one (1) Illinois resident, 7,500 shares of Teleshare Communications stock;
5. That each of the above-referenced shares of stock is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
6. That during the months of June or July, 1999, Millennium Associates, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including George F. Holmes, represented to the Illinois Resident that the aforementioned stocks would soon go public, that the Illinois Resident would receive a return at least equal to her original investment within 3 years, and that by investing in said stock, she would become a millionaire; the Respondents further instructed the Illinois resident to represent herself as an accredited investor on the stock purchase application even after the Illinois resident advised Respondents that she was not in fact accredited;

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7. That over three years have passed and the Illinois resident has never received the return of her original investment, nor received a return of any kind for said investment;
8. That the aforementioned stock never went public;
9. That Section 12.F of the Act provides, inter alia, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale of purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof;
10. That Section 12.G of the Act provides, inter alia, that it shall be a violation of the 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;
11. That at all times relevant hereto, Respondents Millennium Associates, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including George F. Holmes, engaged in a transaction, practice or course of business in connection with the sale or purchase of securities which tended to work a fraud or deceit on the purchaser, in that the Respondents instructed the Illinois resident to represent herself as an accredited investor on the stock purchase application even after the Respondents were advised by the Illinois resident that she was not in fact an accredited investor;
12. That at all times relevant hereto, Respondents Millennium Associates, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including George F. Holmes, obtained money or property from the aforementioned Illinois resident by means of an untrue statement of material fact or an omission to state a material fact by representing to the Illinois resident that the aforementioned stocks would soon go public, that the Illinois resident would receive a return at least equal to her original investment within 3 years, and that by investing in said stock, the Illinois resident would become a millionaire, when in fact the stock never went public and the Illinois investor never received back her original

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investment nor received a return of any kind for her investment and has repeatedly attempted to contact Respondents in this regard without success;

13. That by virtue of the foregoing, Millennium Associates, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including George F. Holmes, have violated Sections 12.F and 12.G of the Act;
14. That Section 11.E(1) of the Act provides, inter alia, that if the Secretary of State shall find that the offer or sale or method of offer or sale of any securities by any person, whether exempt or not, in this State, is fraudulent, or would work or tend to work a fraud or deceit, the Secretary of State may by written order prohibit the offer or sale of securities by that person in this State;
15. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection F or subsection G of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
16. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the 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, as well as the costs of investigation and reasonable expenses;
17. That by virtue of the foregoing, the Respondent, Millennium and Associates, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including George F. Holmes, are subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

Count II (Violation of 12.F; Wall Street Direct)

- 1-2. Paragraph 1-2 of Count I is re-alleged and incorporated as paragraph 1-2 of this Count II;

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3. That at all times relevant, the Respondent Peter Hare was an officer, director, agent or employee of Millennium Associates;
4. That at all times relevant, the Respondent Mark S. Perlmutter was an officer, director, agent or employee of Wall Street Direct, Inc..
5. That during the months of October and November, 1999, Millennium Associates and Wall Street Direct, Inc., by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark S. Perlmutter and Peter Hare, offered and sold to at least one (1) Illinois resident, shares of Wall Street Direct stock for an investment of \$30,000;
6. That each of the above-referenced shares of stock is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
7. That on or about the above date, Respondents Millennium Associates and Wall Street Direct, Inc., by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Perlmutter and Peter Hare, represented to the Illinois Resident that Wall Street Direct, Inc., was a solid, successful company;
8. That as of this date, the Illinois investor has repeatedly attempted to contact Respondents in regards to the aforementioned investment at their last known address and phone number without success and has never received the return of her original investment, nor received a return of any kind for said investment;
9. That Section 12.F of the Act provides, inter alia, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale of purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof;
10. That at all times relevant hereto, Respondents Millennium Associates and Wall Street Direct, Inc., by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark S. Perlmutter

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and Peter Hare, engaged in a transaction, practice or course of business in connection with the sale or purchase of securities which tended to work a fraud or deceit on the purchaser, in that Respondents represented to the Illinois resident that the company was solid and successful when in fact the Illinois resident never received a return of any kind for her investment and has repeatedly attempted to contact Respondents in this regard without success;

11. That by virtue of the foregoing, Respondents Millennium Associates and Wall Street Direct, Inc., their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark S. Perlmutter and Peter Hare, have violated Sections 12.F of the Act;
12. That Section 11.E(1) of the Act provides, inter alia, that if the Secretary of State shall find that the offer or sale or method of offer or sale of any securities by any person, whether exempt or not, in this State, is fraudulent, or would work or tend to work a fraud or deceit, the Secretary of State may by written order prohibit the offer or sale of securities by that person in this State;
13. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection F of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
14. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the 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, as well as the costs of investigation and reasonable expenses;
15. That by virtue of the foregoing, the Respondents, Millennium and Associates and Wall Street Direct, Inc., their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark S. Perlmutter and Peter Hare, are subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

Count III (Violation of 12.F; Wall Street Direct)

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- 1-4. Paragraph 1-4 of Count II is re-alleged and incorporated as paragraph 1-4 of this Count III;
5. That on or about February 24, 2000, Millennium Associates and Wall Street Direct, Inc., by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark S. Perlmutter and Peter Hare, offered and sold to at least one (1) Illinois resident, shares of Wall Street Direct stock for an investment of \$15,000;
6. That each of the above-referenced shares of stock is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
7. That on or about the above date, Respondents Millennium Associates and Wall Street Direct, Inc., by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark Perlmutter and Peter Hare, represented to the Illinois Resident that the stock was a solid opportunity to make money; the Respondents further instructed the Illinois investor to represent himself as an accredited investor on the purchase application even after the Illinois investor advised Respondents that he was not in fact accredited.
8. That as of this date, the Illinois investor has repeatedly attempted to contact Respondents regarding the aforesaid investment at their last known address and phone number without success and has never received the return of his original investment, nor received a return of any kind for said investment;
9. That Section 12.F of the Act provides, inter alia, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale of purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof;
10. That at all times relevant hereto, Respondents Millennium Associates and Wall Street Direct, Inc., by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark S. Perlmutter

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and Peter Hare, engaged in a transaction, practice or course of business in connection with the sale or purchase of securities which tended to work a fraud or deceit on the purchaser, in that Respondents represented to the Illinois resident that the stock was a solid opportunity to make money when in fact the Illinois resident never received a return of any kind for his investment and has repeatedly attempted to contact Respondents in this regard without success; furthermore, the Respondents instructed the Illinois resident to represent himself as an accredited investor on the purchase application for the aforesaid stocks even after the Illinois investor informed Respondents that he was not in fact accredited.

11. That by virtue of the foregoing, Respondents Millennium Associates and Wall Street Direct, Inc., their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark S. Perlmutter and Peter Hare, have violated Sections 12.F of the Act;
12. That Section 11.E(1) of the Act provides, inter alia, that if the Secretary of State shall find that the offer or sale or method of offer or sale of any securities by any person, whether exempt or not, in this State, is fraudulent, or would work or tend to work a fraud or deceit, the Secretary of State may by written order prohibit the offer or sale of securities by that person in this State;
13. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection F of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
14. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the 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, as well as the costs of investigation and reasonable expenses;
15. That by virtue of the foregoing, the Respondents, Millennium Associates and Wall Street Direct, Inc., their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark S. Perlmutter and Peter Hare, are subject to a fine of up to \$10,000.00 per violation, costs

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of investigation, reasonable expenses, and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

Count IV (Violation of 12.A and 12.D; Wall Street Direct;)

1. That the Respondent, Wall Street Direct, Inc. (hereinafter, "Wall Street Direct"), is a purported business entity, which maintains a last known business address of 600 Townsend St., Suite 149E, San Francisco, California 94103;
2. That at all times relevant, the Respondent Mark S. Perlmutter was an officer, director, agent or employee of Wall Street Direct.
3. That on or about August 18, 1999, Wall Street Direct, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark S. Perlmutter, offered to at least one (1) Illinois resident, shares of stock in Wall Street Direct;
4. That on or about October 11, 1999, Wall Street Direct, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark S. Perlmutter, sold to the aforesaid Illinois resident shares of stock in Wall Street Direct for an investment of \$30,000, a sale which was acknowledged by Wall Street Direct on November 17, 1999.
5. That the above-referenced shares of stock in Wall Street Direct are securities as that term is defined pursuant to Section 2.1 of the Illinois Securities Law [815 ILCS 5/1 et seq.] (the "Act").
6. That Section 5 of the Act provides, inter alia, that all securities except those set forth under Section 2a, or those exempt under Section 3, or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
7. That at all times relevant hereto, the shares of stock in Wall Street Direct sold to the aforesaid Illinois resident were not registered with the Secretary of State pursuant to Section 5 of the Act prior to their offer or sale in the State of Illinois.

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8. That Section 12.A of the Act 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.
9. That Section 12.D of the Act 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.
10. That at all times relevant hereto, the Respondent, Wall Street Direct, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark S. Perlmutter, failed to file an application for registration of the above referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois.
11. That by virtue of the foregoing, the Respondent, Wall Street Direct, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark S. Perlmutter, has violated Sections 12.A and 12.D of the Act.
12. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State.
13. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the 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.
14. That by virtue of the foregoing, the Respondent, Wall Street Direct, Inc., its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Mark S. Perlmutter, are subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

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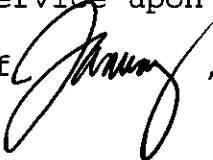

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default.

A copy of the Rules, promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondents.

Dated this 24th day of January, 2005.



Jesse White
Secretary of State
State of Illinois

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