

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF:)
)
) FILE NO. 0700099
UNIFIED WORLDWIDE TRANSPORT, LLC A.K.A.)
UNIFIED WORLDWIDE TELECOM, BETTY GAIL)
HOWARD, KKJ HOLDINGS, LLC, and JAMES K.)
JEDYNAK)
)
)

NOTICE OF HEARING

TO RESPONDENTS: Unified Worldwide Transport, LLC
a.k.a. Unified Worldwide Telecom
C/O Registered Agent B. Gail Howard
1620 26th Street, Ste 2040-N
Santa Monica, CA 90404

Unified Worldwide Transport, LLC
a.k.a. Unified Worldwide Telecom
C/O Registered Agent B. Gail Howard
24353 Mornington Dr.
Valencia, CA 91355

Betty Gail Howard
a.k.a. Gail Howard a.k.a B. Gail Howard
24353 Mornington Dr.
Valencia, CA 91355

Betty Gail Howard
a.k.a. Gail Howard a.k.a B. Gail Howard
1620 26th Street, Ste 2040-N
Santa Monica, CA 90404

KKJ Holdings, LLC
C/O Scott L. Ruther
10108 Summer Oak Lane
Las Vegas, NV 89134

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KKJ Holdings, LLC
C/O James Jedynek
1235 Shermer Rd.
Northbrook, IL 60062

KKJ Holdings, LLC
C/O James Jedynek
2222 Bracken Lane
Northfield, IL 60093

James K. Jedynek
1235 Shermer Rd.
Northbrook, IL 60062

James K. Jedynek
2222 Bracken Lane
Northfield, IL 60093

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 (the "Rules"), a public hearing is scheduled to be held at 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 13th day of February 2008, at 10:00 a.m., or as soon thereafter as counsel may be heard, before **Soula J. Spyropoulos**, or another duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered prohibiting Respondents Unified Worldwide Transport, LLC, Betty Gail Howard, KKJ Holdings, LLC and James K. Jedynek from offering or selling securities in or from the State of Illinois, and granting such other relief as may be authorized under the Act.

The grounds for such proposed action are as follows:

NATURE OF THE CASE

Respondents engaged in massive fraud, whereby through multiple misrepresentations, false financial statements and continued acts of deception, Respondents induced Illinois investors and others to purchase over \$10,000,000.00 of partnership interests in Unified Worldwide Transport, LLC ("UWT"). Respondents represented UWT as a fast growing profitable voice-over internet telecommunications company. In reality, UWT had little business activity and merely acted as a conduit for the Respondents to convert investors' money for personal use.

Fraud in the Offer and Sale of Securities
(Transactions Relating to Investor 1)

1. Respondent Unified Worldwide Transport, LLC is a business entity. UWT is registered as a California limited liability company. California Corporate records indicate that UWT's address is 1620 26th Street, Ste 2040-N, Santa Monica, CA 90404.
2. Respondent Betty Gail Howard ("Howard") is a natural person. Respondent Howards's last known address is 24353 Mornington Dr., Valencia, CA. 91355. At all relevant times, Respondent Howard was the President and CEO of Respondent UWT.
3. Respondent KKJ Holdings, LLC ("KKJ") is a business entity. Illinois Secretary of State records indicate that KKJ is a Nevada LLC with a principal office at 10108 Summer Oak Lane, Las Vegas, NV 89134.
4. Respondent James K. Jedynek ("Jedynek") is a natural person. Respondent Jedynek's last known address is 2222 Bracken Lane, Northfield IL 60093. At all relevant times, Respondent Jedynek was the managing member of Respondent KKJ.
5. Respondent Jedynek also conducted business as Asset Protection Inc., Prosperous Endeavors Limited Partnership, Unlimited Options, Inc, Pacific Coast Holdings Group, LLC, KKJ Holdings II, Inc., KKJ Holdings III, LLC, and KKJ Holdings IV, LLC.
6. In or around November of 2003, Respondent Jedynek contacted an Illinois Investor ("Investor 1") regarding investing in UWT. At the time, Respondent Jedynek was a financial advisor to Investor 1.
7. Respondent Jedynek had a previous relationship with Investor 1, in which he was compensated for reviewing investment proposals on behalf of Investor 1.
8. Respondents Jedynek and Howard provided Investor 1 with statements indicating that UWT's profits for September of 2003 were approximately \$600,000.00, and that projected profits would grow to 1.3 million dollars per month by December of 2004.
9. Shortly thereafter, Respondents provided Investor 1 with revised profit and loss statements indicating that projected profits for November of 2003 were approximately \$640,000.00, and that profits were expected to grow to \$9,189,838 per month by December of 2004.

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10. In fact, contrary to the representations of the Respondents and unknown to Investor 1, UWT had never been profitable. In fact, UWT did not even have any significant sources of revenue, let alone profits.
11. At all relevant times, Respondents did not have any reasonable basis to project profits in the future.
12. Respondents represented that Investor 1 could purchase a 1% interest in UWT for \$750,000.00.
13. In or around January of 2004, based upon the Respondents' false representations, Investor 1 paid \$750,000.00 for what Respondents claimed was a 1% membership interest in UWT.
14. In or around April 2004, Respondent Howard wrote to Investor 1 claiming that she was "happy to report that UWT LLC is meeting its projections and positioned for rapid growth."
15. Howard knew or should have known that the claim of UWT meeting its projections (outlined in paragraphs 8 and 9) would be misleading. In fact, UWT's financial position was drastically different than their previous projections.
16. During 2004, Respondents provided Investor 1 spreadsheets showing UWT's earnings. These spreadsheets demonstrated that the UWT was profitable and that its earnings were increasing by hundreds of thousands dollars each month.
17. At the time Respondents made these claims, UWT did not even have any significant sources of revenue, let alone profits.
18. In or around December of 2004, Investor 1, based upon the false representations of the Respondents, purchased an additional 22,222 units for the sum of \$600,000.00.
19. The activities described above constitute the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act").
20. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person "to offer or sell any security except in accordance with the provisions of the Act."
21. 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 conjunction with the sale or purchase of securities, which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
22. 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.

23. Section 12.H of the Act states that it shall be a violation of the provisions of this Act for any person to, “sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or true.”
24. Section 12.I of the Act states 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.”
25. By virtue of the foregoing, Respondents violated 12.A, 12.F, 12.G, 12.H, and 12.I of the Act.
26. 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, G, H, or I 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.

Fraud in the Offer and Sale of Securities
(Transactions Relating to Investors 2-40)

Respondents made substantially similar representations to over 40 other Illinois Investors.

27. On or around April 9, 2005 Respondents Jedynek and Howard held a meeting in Illinois for all UWT investors.
28. During that meeting, Respondents Jedynek and Howard represented that:
 - a. UWT had experienced consistent revenue growth since its inception.
 - b. UWT achieved profitability.
 - c. UWT had contracts with over 40 carrier customers, including Tier 1 carriers.
 - d. UWT projected that operating income for 2005 was in excess of 33 million dollars.
29. Respondents knew or should have known that the representations specified above were false and misleading.
30. After April 9, 2005, Respondents continued to solicit and accept investments in UWT without taking any action to correct the previous misrepresentations.
31. With the exception of one investor, Respondents Jedynek and Howard represented that the proceeds of the investments were to be received by UWT.

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32. On several occasions, Respondents Jedynek and Howard provided written direction to investors to make checks payable to Respondent KKJ Holdings. These directions stated, "Mr. Jedynek and KKJ Holdings have been authorized by UWT to accept funds on UWT's behalf" and, "Upon receipt, Mr. Jedynek and KKJ Holdings will transfer such funds to UWT."
33. The proceeds for the sales were deposited into an account in the name of KKJ Holdings. The only significant deposits in the account were the proceeds of investors' purchases of UWT.
34. Despite representing that the proceeds of the securities sales would be transferred to UWT, Respondents failed to allocate these proceeds to UWT.
35. Instead, Respondent Jedynek transferred at least \$2,700,000.00 dollars for personal expenses not related to the business of UWT. This money was used for, among other things, building a swimming pool at Jedynek's personal residence, paying for landscaping work performed at Jedynek's personal residence, and purchasing investments held in Jedynek's name.
36. On or around May 4, 2005, an additional \$837,302.49 was wired from the KKJ account to a bank in Idaho. Records for the wire indicate that the wire was for credit of "Jedynek Purchase."
37. The next day a warranty deed was recorded in Nez Perce County, naming James Jedynek and Wendy Jedynek as the grantees.
38. Respondent Jedynek also transferred at least \$2,800,000.00 from the KKJ account directly to Howard. In addition, Jedynek transferred significant sums to entities controlled by Howard.
39. Respondents failed to disclose any of the payments to Jedynek or Howard. In fact, as recent as January of 2007, Respondent Jedynek told investors that KKJ Holdings transferred every dollar it received from investors to UWT.
40. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person "to offer or sell any security except in accordance with the provisions of the Act."
41. 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 conjunction with the sale or purchase of securities, which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
42. 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

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in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

43. Section 12.H of the Act states that it shall be a violation of the provisions of this Act for any person to, “sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or true.”
44. Section 12.I of the Act states 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.”
45. By virtue of the foregoing, Respondents violated 12.A, 12.F, 12.G, 12.H, and 12.I of the Act.
46. 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, G, H, or I 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.


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, special appearance, or other responsive pleading to the allegations above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

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

The Rules promulgated under the Act and pertaining to Hearings held by the office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/lawrules.html>.

Delivery of Notice to the designated representative of the Respondent constitutes service upon such Respondent.

Dated: This 20th day of December, 2007.


JESSE WHITE
Secretary of State
State of Illinois

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Attorneys for the Illinois Secretary of State:

Angela P. Angelakos

James J. Nix

Office of the Secretary of State

Illinois Securities Department

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Chicago, Illinois 60602

(312) 793-3384

Hearing Officer:

Soula J. Spyropoulos

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Lincolnwood, IL 60712