

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)

ORDER OF PROHIBITION

TO THE RESPONDENTS: Peter Hare
Millennium Associates
7100 W. Camino Real
Suite 401
Boca Raton, Florida 33433

George Holmes
Millennium Associates
7100 W. Camino Real
Suite 401
Boca Raton, Florida 33433

WHEREAS, the record of the above captioned matter 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 Facts and Conclusions of Law and Recommendation of the Hearing officer, Jon K. Ellis, in the above-captioned matter have been read and examined;

WHEREAS, the following proposed Findings of Fact are correct and are adopted by the Secretary of State as follows:

1. The pleadings 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.

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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 subject matter dealt with herein, due and proper notice having been previously given as required by statute in this Matter.
4. As no Answers were filed, Respondents, Millennium Associates, George F. Holmes and Peter Hare, are therefore deemed to be in default.
5. The Department on April 14, 2004, and April 29, 2004, sent the Respondents a Notice of Hearing requiring the Respondents to file with the Secretary of State an Answer or other responsive pleading as to the facts and circumstances concerning the subject matter of this Matter pursuant to 14 Ill.Admin.Code Section 130.1104 requiring such a response within 30 days of receipt of said Notice.
6. The Respondent Millennium Associates is a purported business entity, with a last known address of 7199 West Camino Real, Suite 401, Boca Raton, Florida 33433.
7. At all relevant times, the Respondent George F. Holmes was an officer, director, agent or employee of Millennium Associates.
8. During the months of June and July, 1999, the Respondents 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 Illinois resident 7,500 shares of Teleshare Communications stock.
9. During the months of June and July, 1999, the Respondents 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 three years, and that by investing in said stock, she would become a millionaire; the Respondents further instructed the Illinois resident to represent herself as

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an accredited investor on the stock purchase application even after the Illinois resident advised the Respondents that she was not in fact accredited.

10. 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.
11. The aforementioned stock never went public.
12. At all times relevant hereto, the 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.
13. At all times relevant hereto, the 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 three 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 investment nor received a return of any kind for her investment and has repeatedly attempted to contact the Respondents in this regard without success.
14. At all times relevant, the Respondent Peter Hare was an officer, director, agent or employee of Millennium Associates.
15. During the months of October and November, 1999, the Respondents Millennium Associates, by and through its officers, directors, employees, affiliates, successors, agents and assigns, including Peter Hare, offered and

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sold to at least one Illinois resident shares of Wall Street Direct, Inc. stock for an investment of \$30,000.00.

16. On or about the above dates, the Respondents Millennium Associates, by and through its officers, directors, employees, affiliates, successors, agents and assigns, including Peter Hare, represented to the Illinois resident that Wall Street Direct, Inc., was a solid, successful company.
17. As of this date, the Illinois investor has repeatedly attempted to contact the 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.
18. At all times relevant hereto, the Respondents Millennium Associates, by and through its officers, directors, employees, affiliates, successors, agents and assigns, including 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 the 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 the Respondents in this regard without success.
19. On or about February 24, 2000, the Respondents Millennium Associates, by and through its officers, directors, employees, affiliates, successors, agents and assigns, including Peter Hare, offered and sold to at least one Illinois resident shares of Wall Street Direct, Inc. stock for an investment of \$15,000.00.
20. On or about the above date, the Respondents Millennium Associates, by and through its officers, directors, employees, affiliates, successors, agents and assigns, including Peter Hare, represented to the Illinois resident that the stock was a solid opportunity to make money; the Respondents further instructed the Illinois resident to represent himself as an accredited investor on the purchase application even after the Illinois

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resident advised the Respondents that he was not in fact accredited.

21. As of this date, the Illinois investor has repeatedly attempted to contact the 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.
22. At all times relevant hereto, the Respondents Millennium Associates, by and through its officers, directors employees, affiliates, successors, agents and assigns, including 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 the 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 the Respondents in this regard without success; furthermore, the Respondent 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 the Respondents that he was not in fact accredited.
23. That Section 2.1 of the Act 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 of 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 of, guarantee of, or warrant or

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right to subscribe to or purchase, any of the forgoing. "Security" does not mean a mineral investment contract or mineral deferred delivery contract; provided, however, the Department shall have the authority to regulate these contracts as hereinafter provided.

24. Section 2.5 of the Act 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.
25. Section 2.5a of the Act 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.
26. Each of the above-referenced shares of stock is a security as that term is defined pursuant to Section 2.1 of the Act.
27. 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 or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
28. 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 material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
29. By virtue of the foregoing, the Respondents Millennium Associates, its officers, directors, employees, affiliates, successors, agents and assigns, including

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George F. Holmes and Peter Hare, have violated Sections 12.F and 12.G of the Act.

30. 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 the person in this State.
31. 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
32. 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.
33. By virtue of the foregoing, the Respondents Millennium Associates, its officers, directors, employees, affiliates, successors, agents and assigns, including George F. Holmes 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.
34. 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. 1-11, as well as the fact that the Respondents failed to appear at the hearing and properly answer the Notice of Hearing.

WHEREAS, the following proposed Conclusions of Law are correct and are adopted by the Secretary of State as follows:

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1. After proper notification, the Department may proceed with a hearing in the Respondent's absence. (735 ILCS 5/1-105 and 5/2-1301; Ryan v. Bening, 1978, 22 IL.Dec.873, 66 Ill.App.3d 127, 383 N.E.2d 681; 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 that fails to appear or answer the charges;
2. The actions, statements, representations, and/or omissions of the Respondents that were made in connection with the offer or sale of securities and worked or tended to work a fraud or deceit upon Illinois purchasers is a violation of 815 ILCS 5/12.F. The actions, representations, statements and/or omissions of the Respondents which were untrue, misleading or omitting of material facts and were made to obtain money from Illinois purchasers is a violation of 815 ILCS 5/12.G.
3. That by virtue of the foregoing, the Respondents are subject to an order of permanent Prohibition in the State of Illinois, a \$10,000.00 fine for each violation of the Act, and/or granting such other relief as may be authorized under the Act.
4. Because of the Findings, the pleadings and the Exhibits, as well as the fact that the Respondents failed to answer the Notice of Hearing or appear at the hearing, the entry of a written Order of Prohibition pursuant to 815 ILCS 5/11.E(1) and (2) which permanently prohibits the offer or sale of securities by the Respondents in the State of Illinois and the imposition of a \$30,000.00 fine pursuant to 815 ILCS 5/11.E(4), with joint and several liability thereon, based upon at least three separate violations of the Act is proper in this Matter.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Respondents shall be permanently prohibited from offering and selling securities in the State of Illinois;

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2. The Respondents shall pay a fine in the amount of \$30,000 for multiple violations of the Act, that liability will be joint and several, and that that Respondents will deliver a certified check(s) or money order(s) within ten (10) days of the entry of the Order. The check shall be payable to the Secretary of State, Securities Audit and Enforcement Fund.

ENTERED: This 13th day of December, 2005



Jesse White
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of 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 the 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 Illinois Securities Act, [14 Ill. Admin. Code Ch. I, Section 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.

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