

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: TEL-ART PRODUCTIONS, )  
ITS OFFICERS, DIRECTORS, ) File No. 00500692  
EMPLOYEES, AFFILIATES, SUCCESSORS, )  
AGENTS AND ASSIGNS, )  
AND JOHN F. BAILEY )  
)

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TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENT: Tel-Art Productions  
John F. Bailey  
3915 North Dirksen  
Springfield, Illinois 62707

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, having been fully advised in the premises by the staff of the Illinois Securities Department, Office of the Secretary of State, herein find:

Count I (Violation of 12.A and 12.D)

1. That Respondent, Tel-Art Productions is a purported business entity, with a last known address of 3915 North Dirksen Avenue, Springfield, Illinois 62707;
2. That, at all times relevant the Respondent John F. Bailey was an officer, director, agent or employee of Tel-Art Productions;
3. That on or about December 29, 2005, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, offered to at least one (1) Illinois resident an investment plan whereby Respondent would promote various band concerts and that, in exchange for an initial investment of \$40,000 per concert, said Illinois resident would receive a full return of his investment plus 15% interest of the total invested within 48 hours after each concert;
4. That on or about January 3, 2006, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, again discussed the aforesaid offer with the aforesaid Illinois resident,

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representing that Respondent had several band concerts "booked" at specific venues and advised aforesaid Illinois resident that Respondent was willing to accept \$20,000 but needed the money as soon as possible, indicating again that the aforesaid Illinois resident would receive 15% of the total profits from the aforesaid band concerts if this Illinois resident chose to invest;

5. On or about January 4, 2006, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, contacted the aforesaid Illinois resident to inquire whether the Illinois resident had received the contract for the aforementioned investment plan and requested advice as to whether said Illinois resident was going to invest in the aforementioned investment plan;
6. That on or about January 7, 2006, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, again contacted aforementioned Illinois resident requesting advice as to whether said Illinois resident was going to invest in the aforementioned investment plan;
7. That on or about January 8, 2006, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, contacted the aforesaid Illinois resident and advised that Respondent was now willing to accept \$10,000 instead of the original aforesaid \$40,000 investment offer;
8. That on or about January 9, 2006, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, contacted the Illinois resident and advised said Illinois resident that Respondent had booked another show, that Respondent was going to have to start looking for more interested investors, and requested further advice from the aforesaid Illinois resident as to whether said Illinois resident was going to invest in the aforementioned investment plan;
9. That during the remainder of the month of January, 2006, Respondent Tel-Art Productions, by and through

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its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, made repeated phone calls to the Illinois resident continuing Respondent's solicitation of the aforementioned offer;

10. That the above referenced investment plan is an investment contract and is therefore 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");
11. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act 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;
12. 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 securities except in accordance with the provisions of the Act;
13. 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 or application required to be filed under the provisions of the Act;
14. That at all times relevant hereto, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, 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;
15. That by virtue of the foregoing, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, has violated Sections 12.A and 12.D of the Act;
16. That Section 11.F.(2) of the Act provides, inter alia, that the Secretary of State may temporarily suspend or prohibit the offer or sale of securities by any person if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent

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an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act;

17. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violation of the Act, to enter an order pursuant to the authority granted under Section 11.F of the Act which prohibits Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, from offering and/or selling securities in the State of Illinois; and
18. That based upon the credible evidence available to the Secretary of State, the entry of this Temporary Order is in the public interest and is consistent with the purposes of the Act.

Count II (Violation of 12.F)

- 1-10. Paragraph 1-10 of Count I is re-alleged and incorporated as paragraph 1-10 of this Count II;
11. That during the months of November and December, 2005, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, represented to the Illinois resident that John F. Bailey was an attorney and that John F. Bailey had "booked" specific concert bands to perform on specific future dates at specific venues; furthermore, at all times relevant, Respondent failed to disclose that John F. Bailey was currently on federal parole for felony armed robbery;
12. 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;
13. That at all times relevant hereto, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns,

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including John F. Bailey, 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 in an effort to induce the Illinois resident to invest in Respondent's purported business, Respondent represented to the Illinois resident that John F. Bailey was an attorney, that John F. Bailey had "booked" specific concert bands to perform on specific future dates at specific venues and failed to disclose that John F. Bailey was currently on federal parole for armed robbery, when in fact John F. Bailey was not an attorney, had not booked any of the aforementioned concert bands for the aforementioned dates or venues, and was currently on federal parole for felony armed robbery;

14. That by virtue of the foregoing, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, has violated Sections 12.F of the Act;
15. That Section 11.F.(2) of the Act provides, inter alia, that the Secretary of State may temporarily suspend or prohibit the offer or sale of securities by any person if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act;
16. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violation of the Act, to enter an order pursuant to the authority granted under Section 11.F of the Act which prohibits Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, from offering and/or selling securities in the State of Illinois; and
17. That based upon the credible evidence available to the Secretary of State, the entry of this Temporary Order is in the public interest and is consistent with the purposes of the Act.

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NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, is hereby PROHIBITED from offering and/or selling securities in or from the State of Illinois until further order of the Secretary of State.

NOTICE is hereby given that the Respondent may request a hearing on this matter by transmitting such request in writing to Securities Director, Illinois Securities Department, 300 West Jefferson, Suite 300A, Springfield, Illinois 62702. Such request must be made within thirty (30) days of the date of entry of this Temporary Order. Upon receipt of a request for hearing, a hearing will be scheduled. Request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for ninety days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER ENTRY OF THIS TEMPORARY ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND CONSTITUTES SUFFICIENT BASIS TO MAKE THE TEMPORARY ORDER FINAL.

ENTERED: This 23<sup>rd</sup> day of February, 2006

  
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JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

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