

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: FREETEL, INC. ITS)
OFFICERS AND DIRECTORS, AGENTS, AFFILIATES,)
EMPLOYEES, SUCCESSORS AND ASSIGNS.)
_____)

FILE NO.0300134

**SUMMARY ORDER
TO CEASE AND DESIST**

TO THE RESPONDENT: Freetel, Inc.
3651 Canton Highway
Marietta, Georgia 30066

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 Securities Department, Office of the Secretary of State, herein find:

1. That Freetel, Inc. (the "Respondent"), is a business entity which maintains its principal office at 3651 Canton Highway, Marietta, Georgia 30066
2. That during July, 2001, the Respondent placed an ad ("the Ad") in the Peoria Journal Star newspaper.
3. That Respondent told one or more Illinois residents responding to the Ad about the 26" Freetel "concierge" associate payphone program and Freetel distributorship, and sent them promotional literature ("the Literature").
4. That the Literature in part provided:
 - a) Annual projections of yearly income for different concierge payphone packages--"Silver", "Gold" and "Platinum"-- to be placed and installed by Respondent in hotel locations. The projections included potential revenue to be earned by placing Ads on the payphones. The package was touted "as close to a turnkey business as you will find anywhere."
 - b) "Reference Letters" and Printers of ad layouts for the payphones.
 - c) Equipment purchase agreements and 120-day geographic distributor agreements renewable upon the purchase of additional phones.

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5. That on July 31, 2001, the Respondent sold the "Silver Package" to an Illinois resident for fifteen thousand four hundred ninety dollars (\$15,490.00). The "Silver Package" included three payphones, along with locations and installation.
6. That Section 5-5.10(a)(6) of Business Opportunity Sales Law of 1995, [815 ILCS 602 ET seq.] (The "Act") provides, inter alia, that a business opportunity is a contract or agreement, between a seller and purchaser, express or implied, orally or in writing, wherein it is agreed that the seller or a person recommended by the seller shall provide to the purchaser any product, equipment, supplies or services enabling the purchaser to start a business when the purchaser is required to make a payment to the seller or a person recommended by the seller and the seller represents directly or indirectly, orally or in writing, that; the seller or a person recommended by the seller will provide or assist the purchaser in finding locations, or assist the purchaser in finding outlets or account for the purchaser's products or services, or will provide a marketing plan.
7. That the Concierge associate payphone program, described in paragraphs three, four and five (3, 4 & 5), constitutes a business opportunity as that term is defined in Section 5-5.10 of the Act.
8. That the activities described in paragraph two (2) constitute an offer as that term is defined under Section 5-5.20 of the Act.
9. That Section 5-25 of the Act provides, inter alia, that it is unlawful for any person to offer any business opportunity in this State unless the business opportunity is registered under the Act or is exempt under Section 5-10 of the Act.
10. That at all relevant times, Respondent Freetel, Inc., its officers and directors, agents, employees, affiliates, successors and assigns, failed to register the business opportunity described in paragraphs three, four and five (3, 4 & 5) as required pursuant to Section 5-25 of the Act.
11. That, by virtue of the foregoing, the Respondent violated Section 5-25 of the Act.
12. That Section 5-65 of the Act provides, inter alia, that whenever it appears to the Secretary of State that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of this Law or any rule, regulation, or order under this Law, the Secretary of State may issue an order directing the person to CEASE and DESIST from continuing the act or practice.

NOW THEREFORE IT IS HEREBY ORDERED THAT: Pursuant to the authority granted by Section 5-65 of the Act, Respondent Freetel, Inc., its officers and directors, employees, agents, affiliates, successors and assigns are ordered to CEASE and DESIST from offering or selling any business opportunity in the State of Illinois until the further order of the Secretary of State.

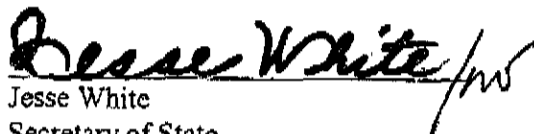
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NOTICE is hereby given that the Respondent may request a hearing on this matter by transmitting a written request to the Securities Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) days after entry of this Summary Order to Cease and Desist. Upon receipt of a request for a hearing, a hearing will be scheduled as soon as reasonably practicable. Request for hearing will not stop the effectiveness of this Summary Order to Cease and Desist.

FAILURE BY ANY PERSON NAMED IN THIS ORDER TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER ENTRY OF THIS SUMMARY ORDER TO CEASE AND DESIST SHALL BE DEEMED TO CONSTITUTE A WAIVER OF ALL RIGHTS BY SUCH PERSON TO A HEARING AND THE ORDER TO CEASE AND DESIST AS TO SUCH PERSON WILL BECOME PERMANENT.

DATED: This 19th day of July, 2006.


Jesse White
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-3988