

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

IN THE MATTER OF:)	
)	
Richard Kelsey;)	
ISpottedYou.com, Inc.,)	File Number: 0900436
its partners, members, officers, directors,)	
agents, employees, affiliates, successors)	
and assigns:)	
)	

ORDER OF PROHIBITION

TO RESPONDENTS: Richard R. Kelsey
227 Depot Street
Antioch, Illinois 60002

IspottedYou.com Inc.
227 Depot Street
Antioch, Illinois 60002

WHEREAS, a Temporary Order of Prohibition was issued by the Illinois Secretary of State, on December 28, 2009, temporarily prohibiting the Respondents from offering or selling securities in the State of Illinois until further order from the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, the Respondent has failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Final Findings of Fact as follows:

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I. FRAUD

1. Respondent Richard R. Kelsey ("Kelsey") is a natural person with the last known business address of 227 Depot Street, Antioch, Illinois.
2. Respondent IspottedYou.com Inc. is a Nevada corporation with a last known business address of 227 Depot Street, Antioch, Illinois.
3. Respondent Kelsey represented himself as the owner, officer or President of IspottedYou.com Inc.
4. Beginning in 2006, Respondents directly sold and offered to sell securities in the form of stock to the general public, including residents and senior citizens of the State of Illinois ("Investors").
5. Respondents were sent a request for information from the Illinois Secretary of State Securities Department (the "Department") in the form of an 11.C letter dated November 13, 2009.
6. Respondents sent a notarized Affidavit in response to the Department request dated November 25, 2009 and said document was signed by Richard R. Kelsey.
7. Respondents stated in their response "In August, 2006, approximately 45 Illinois residents were contacted and 39 Illinois residents purchased shares of common stock of the Company pursuant to Rule 504, Regulation D Offering dated August 3, 2006 of the Company."
8. Respondents also included an attachment in their response stating as follows:

"Attached as Composite Exhibit A is a copy of the Rule 504 Offering Memorandum Dated August 3, 2006 and a copy of the Form D dated August 8, 2006 filed with the Securities and Exchange Commission."
9. To date, Respondents have failed to file the Form D with the Securities and Exchange Commission and have failed to file with the Illinois Secretary of State Securities Department for any exemption filing.
10. Respondents have also stated in their notarized Affidavit that that they claim the 4G exemption of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act").
11. Respondents also admitted in their response that there were at least 42 Illinois investors in a twelve month period.
12. To date, Illinois investors have not received any return on their investments, and the respondent has failed to have their investment returned or any accounting of investment.

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13. Respondents refused or omitted, to inform Investors that they were not registered with the Illinois Secretary of State Securities Department, nor had they filed the Form D with the Securities and Exchange Commission.
14. The activities described above constitute the offer and sale of a stock and therefore 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").
15. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person "to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act."
16. Section 12.G of the Act states that it shall be a violation of the provisions of this 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 light of the circumstances under which they were made, not misleading." 815 ILCS 5/12.G.
17. By virtue of this foregoing conduct, Respondents violated Sections 12.D and 12.G of the Act.

II. FAILURE TO REGISTER SECURITIES

- 1-14. Paragraphs 1-14 are re-alleged and incorporated by reference.
15. The activities described above constitute the offer and sale of a Stock and therefore 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").
16. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 "shall be registered either by coordination or by qualification prior . . . to their offer or sale" in the State of Illinois.
17. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
18. 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."
19. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person "to fail to file with the Secretary of State any application, report or

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document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.”

20. By virtue of the foregoing, Respondent violated Sections 12.A and 12.D of the Act.

Count III

UNREGISTERED DEALER/SALESPERSON

- 1-14. Paragraphs 1-14 are re-alleged and incorporated by reference.
15. Through the conduct described in paragraphs three (3) through eight (8), the respondent acted as a dealer and/or salesperson for the sale of Stock, Notes and investment contracts to investors.
16. That 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to act as a dealer, salesperson unless registered such, where such registration is required under this Act.
17. That at all relevant times, the respondents were not registered as a dealer and/or salesperson under the Act.
18. That by acting as a salesperson and/or dealer and an investment advisor and/ or investment advisor in the State of Illinois, without being registered as such, respondent violated section 12.C of the Act.
19. The aforementioned findings are based upon credible evidence.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State's Conclusions of Law as follows:

Respondents violated Sections 12.A, 12.D 12.G, and 12.C of the Act.

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to Section 11.F of the Act, the Respondents, Richard R. Kelsey and IspottedYou.com Inc. **shall be and are hereby permanently PROHIBITED** from offering or selling any securities in or from the State of Illinois.

Dated: This 28th day of January 2010.



JESSE WHITE
Secretary of State
State of Illinois



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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.

Attorney for the Secretary of State:

Mary A. Lopez

Illinois Secretary of State Securities Department

69 West Washington Street

Chicago, Illinois 60602

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