

STATE OF ARKANSAS
SECURITIES DEPARTMENT

IN THE MATTER OF L. DALE SIDWELL,
d/b/a AMERICOMM CONSULTANTS and
3-D LIMITED, INC.

No. 00-57-S

CEASE AND DESIST ORDER

The Staff of the Arkansas Securities Department (the Staff) has received information and has in its possession certain evidence which indicates that L. DALE SIDWELL, d/b/a AMERICOMM CONSULTANTS and 3-d LIMITED, INC., have violated provisions of the Arkansas Securities Act (the Act), codified at Ark. Code Ann. §§ 23-42-101, *et seq.* (Repl. 1994).

FINDINGS OF FACT

An ongoing investigation has revealed the following facts:

1. L. Dale Sidwell (Sidwell) contacted an Arkansas resident (Prospect) in July, 1999, and represented to him, Prospect, that he could invest "seed money" in Pet America LLP #1, a venture that would provide animal health insurance to pet owners through and/or with a company called Pet America, Inc. (collectively, Pet America), and double his money within some six (6) weeks with the help of an initial public offering of Pet America stock. There was no basis in fact for the assertion that Prospect could double his money.
2. On 2 September 1999 Prospect invested \$5,000 in Pet America through Sidwell, and on 10 November 1999 Prospect invested \$2,500 more through Sidwell.

3. Sidwell sent Prospect a letter dated 2 September 1999 guaranteeing that Prospect's initial \$5,000 investment would be delivered to Prospect on or before 22 November 1999 in the event that Pet America did not make the "payout" of twice Prospect's investment by then. In a letter dated 18 November 1999, Sidwell informed Prospect that the "funding date" for Prospect's Pet America investment had been moved from the week ending 23 November 1999 to the last week of January, which would end on 31 January 2000.
4. Prospect received a payment of \$2,500 on 4 February 2000 and a payment of \$3,000 on 9 March 2000. He was promised that the balance due, \$2,000, would be pay on 16 March 2000, but no further payments have been received.
5. The records of the Arkansas Securities Department (the Department) reflect no registration of any securities issued by Pet America and no proof of exemption filed in regard to any securities issued by Pet America.
6. The records of the Department reflect no registration of Sidwell as the agent of any broker-dealer registered in Arkansas.

CONCLUSIONS OF LAW

7. Ark. Code Ann. § 23-42-102(15)(A)(vi) (Supp. 1997) defines a security as an evidence of indebtedness, and Ark. Code Ann. § 23-42-102(15)(A)(xi) (Supp. 1997) defines a security as an investment contract.
8. Ark. Code Ann. § 23-42-501 (Repl. 1994) provides that it is unlawful for any person to offer or sell any security which is not registered or which is not exempt from registration under the terms of the Act.

9. Ark. Code Ann. § 23-42-301(a) (Repl. 1994) prohibits as unlawful the transaction of business as a broker-dealer or an agent of a broker-dealer or issuer by any person who is not registered with the Department as such.
10. Ark. Code Ann. § 23-42-507(2) (Repl. 1994) provides that it is unlawful for any person in connection with the offer or sale of any security to make any untrue statement or omit to state a material fact necessary in order to make the statements made not misleading in light of the circumstances under which they are made.

CONCLUSIONS OF LAW

11. This matter has been properly brought before the Arkansas Securities Commissioner in accordance with Ark. Code Ann. §§ 23-42-201 and 209 (Repl. 1994).
12. The “seed money” program Sidwell offered to sell and sold to Prospect was a security as both an evidence of indebtedness and an investment contract whereby Prospect expected to profit by the payment of money and the efforts of others, as defined at Ark. Code Ann. §§ 23-42-102(15)(A)(vi) and (xi) (Supp. 1999), respectively.
13. Sidwell offered to sell securities in Arkansas that were not exempt from registration without prior registration of those securities in violation of Ark. Code Ann. § 23-42-501 (Repl. 1994).
14. Sidwell offered to sell securities in Arkansas without being registered with the Department as a broker-dealer or the agent of a broker-dealer in violation of Ark. Code Ann. § 23-42-301(a) (Repl. 1994).
15. In telling Prospect that he could double his money, Sidwell made an untrue statement and omitted to state material facts necessary in order to make the statement made not misleading

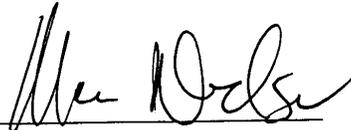
in light of the circumstances under which it was made in violation of Ark. Code Ann. § 23-42-507(2) (Repl. 1994). The statement was untrue because there was no basis in existing fact for the statement and there were no reasonably reliable professional projections upon which such a statement could be made. The withholding of these facts was the omission of material facts.

16. Pursuant to Ark. Code Ann. § 23-42-209(a)(1) (Supp. 1997), the Arkansas Securities Commissioner can and should order Sidwell to immediately cease and desist from the further solicitation and sale of the securities described above, to immediately cease and desist from the collection of additional funds from any current investors and to immediately cease and desist from further violations of the Arkansas Securities Act.
17. This order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that L. DALE SIDWELL, d/b/a AMERICOMM CONSULTANTS and 3-D LIMITED, INC., as well as others whose identities are not yet known who are in positions of control of AMERICOMM CONSULTANTS and 3-D LIMITED, INC. and who are employed by or otherwise affiliated with those entities, or enterprises associated with L. DALE SIDWELL, directly or through other companies, **CEASE AND DESIST** from any further actions in the State of Arkansas in connection with the offer and sale of the securities described above until such time as the securities are properly registered or exempted from registration pursuant to the Arkansas Securities Act and the persons offering them for sale are properly registered pursuant to the Arkansas Securities Act.

WITNESS MY HAND AND SEAL this 24th day of October, 2000.

A handwritten signature in black ink, appearing to read "Mac Dodson", written over a horizontal line.

Mac Dodson
ARKANSAS SECURITIES COMMISSIONER