

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

AMERICANS FOR LAWFUL FINANCIAL
INDEPENDENCE & INFORMATION,
MY ICIS, INC., WAYNE HICKS, LORI HICKS
AND ALL PERSONS EMPLOYED BY OR OTHERWISE
AFFILIATED WITH THOSE ENTITIES OR
THOSE PERSONS

NO. S-06-038-07-CD01

CEASE AND DESIST ORDER

The Arkansas Securities Department (“Department”) has received information and has in its possession certain evidence which indicates Americans For Lawful Financial Independence & Information, My Icic, Inc., Wayne Hicks and Lori Hicks have violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. § 23-42-101 *et seq.*

FINDINGS OF FACT

(1) Americans For Lawful Financial Independence & Information (“ALFII”) is an unincorporated entity located at 915 W. Trimble, Berryville, Arkansas 72616. ALFII purports to be a Not-For-Profit Organization designed to provide its members with bank-like services while helping members ensure their privacy. ALFII solicits members through their website at www.alfii.com.

(2) My Icic, Inc. (“MYICIS”) was incorporated with the Arkansas Secretary of State’s office on October 4, 2005 and remains in good standing. MYICIS is located at 915 W.

Trimble, Berryville, AR 72616. MYICIS purports to be a registered Money Service Business. MYICIS maintains a website at www.myicis.com.

(3) Wayne Anthony Hicks, Sr. (“Hicks”) is a resident of Berryville, Arkansas and Branson, Missouri. Hicks is the administrative contact for the website www.alfii.com and is the registrant and administrative contact for the website www.myicis.com. Hicks is instrumental in the operation of both ALFII and MYICIS and is the contact person listed on the ALFII website for additional information on investments. Additionally, Hicks periodically posts messages to clients on the MYICIS and ALFII websites.

(4) Lori Hicks is a resident of Berryville, Arkansas and Branson, Missouri. Lori Hicks is President, Vice-President, Secretary, Treasurer and Controller for MYICIS.

(5) ALFII through its website and referrals, offered memberships for a one-time enrollment fee of \$250.00, and a monthly membership fee of \$4.95. Benefits of membership include issuing Digital Money Orders (“DMO’s”) drawn against member’s own internal MYICIS accounts. ALFII guaranteed all ALFII/MYICIS DMO’s, stating “they cannot bounce because they cannot be issued for more than the amount of available funds.” Members were encouraged to purchase Official ALFII DMO Security Paper to print their money orders directly from ALFII.

(6) ALFII additionally offered its members the opportunity to invest in ALFII Pool Funds. Instructions posted on the ALFII website instructed investors to send investment money by mail or Parcel Post to ALFII, 915 W. Trimble, Berryville, AR 72616, or to Add Funds via MYICIS: by emailing the Operations Director with the investor’s username, the amount to invest and the pool to invest in. ALFII members chose from nine different Pools as described below:

- a. Circulation Pool – Limited to 15 investors and pays a 5% return per month
- b. Real Estate Pool – Limited to 15 investors and offers monthly payouts to all investors.

- c. Liberty General Pool – Limited to 15 investors and pays a 5% return per month.
- d. Liberty Tree Restaurant Pool - Limited to 15 investors and pays a 5% return per month.
- e. MYICIS Pool - Limited to 15 investors and pays a 5% return per month.
- f. MYICIS II Pool - Limited to 15 investors and pays a 5% return per month.
- g. Movie Development Pool – Pays 5% compound only per month. Pool will close in May 2007, returning all principal and accrued growth.
- h. WireStream Internet Television Pool – Pool pays 5% per month.
- i. Scar Repair Clinic Pool – Pool pays 5% per month.

(7) On or about June 6, 2005 Investor #1 paid the \$250.00 membership fee and invested \$185,000 in the ALFII MYICIS II Pool. On February 8, 2006 Investor #1 invested an additional \$126,000 in the ALFII MYICIS II Pool. On April 13, 2006 Investor #1 invested an additional \$100,000 in the ALFII MYICIS II Pool for a total investment of \$411,000. In August 2006 Investor #1 was unable to access funds through ALFII or MYICIS. As of the date of this Order Investor #1 has still not been able to access his money through ALFII or MYICIS.

(8) In August 2005 Investor #2 paid the \$250.00 membership fee and invested \$500 in the ALFII Movie Development Pool. On January 4, 2006 Investor #2 invested \$100,000 in the ALFII MYICIS II Pool. On April 10, 2006 Investor #2 invested \$83.45 in the ALFII Liberty General Pool. Since the latter part of September 2006 Investor #2 has not been able to access funds through ALFII or MYICIS.

(9) On or about June 2, 2006 Investor #3 paid the \$250.00 membership fee and mailed a check to ALFII in the amount of \$10,500 for investment in the ALFII Scar Repair Clinic Pool. On August 11, 2006 Investor #3 called ALFII to request a withdrawal of \$10,000. Investor #3 printed a DMO through the MYICIS DMO system and deposited the DMO into his personal banking account. On September 11, 2006, Investor #3 deposited \$60,000 into the ALFII Scar Repair Clinic Pool. Shortly after investing the \$60,000 Investor #3 was unable to access his

money. As of the date of this Order Investor #3 has still not been able to access his money through ALFII or MYICIS.

(10) The Department has received written complaints from 26 individuals who have deposited a total of \$1,057,407.27 with MYICIS. Each of these individuals have complained that MYICIS through Hicks are not allowing access to their money.

(11) On September 14, 2006, Hicks posted on the MYICIS website an "Explanation of Recent Issues to all ICIS Clients." In this posting Hicks falsely stated that during a meeting with representatives of the Federal Government and bank officials ". . .we were able to reach an agreement whereby those accounts connected to the suspicious activity are to be temporarily frozen by ICIS Money Orders. . ." Hicks continued to falsely state "This investigation should not take long, and may result in some client's having to answer questions regarding their transactions; however, it has been agreed that any questions will be sent through ICIS, rather than in any official capacity of the IRS or other agencies."

(12) On November 14, 2006 MYICIS posted a message on their website stating "MYICIS has been investigating a large number of suspicious activities involving many of our client accounts." The message falsely stated, "For this reason, the bank has now determined that they are going to hold all funds in the account for a period of one year, which means that we do not have access to the funds to return to our clientele."

(13) On January 23, 2007 Hicks posted a message on the MYICIS website stating, "Our Audit has been completed, and we are in the process of unlocking all cleared accounts. This will take a couple of days, but all cleared accounts will be unlocked by Friday morning, 1-26. In addition, some of the funds currently on hold with the banks are about to be released, and we are

looking forward to getting back to normal in the very near future!” As of the date of this Order depositors have not been able to access their money.

(14) Records of the Department do not reflect that ALFII, MYICIS, Wayne Hicks or Lori Hicks are registered in Arkansas as a broker-dealer, broker-dealer agent, investment adviser or investment adviser representative. In addition, records of the Department do not reflect a registration filing or exemption filing for the investment contracts sold by ALFII, Wayne Hicks and Lori Hicks.

(15) Records of the Department do not reflect that ALFII, MYICIS, Wayne Hicks or Lori Hicks have made a registration filing or exemption filing pursuant to Ark. Code Ann. § 23-41-101, the Sale of Checks Act.

APPLICABLE LAW

(16) Ark. Code Ann. § 23-42-102(15)(A)(xi) defines “Security” to include any investment contract.

(17) Ark. Code Ann. § 23-42-209 provides in part that whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the Commissioner, that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter, he may summarily order the person to cease and desist from the act or practice.

(18) Ark. Code Ann. § 23-42-301 states that it is unlawful for any person to transact business in the State as a broker-dealer, agent, investment adviser or representative unless such person is registered under the terms of the Act.

(19) Ark. Code Ann. § 23-42-501 states that it is unlawful for any person to offer or sell any security in Arkansas unless it is registered or exempt from registration.

(20) Ark. Code Ann. § 23-42-507 provides in part that it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

(21) Ark. Code Ann. § 23-42-104(a) states that any person who knowingly violates § 23-42-507 shall be guilty of the offense of “securities fraud.” Securities fraud is a Class B felony.

(22) Ark. Code Ann. § 23-42-104(b) states that any person who knowingly violates § 23-42-501 shall be guilty of the offense of “felony offer or sale of unregistered and nonexempt securities.” Felony offer or sale of unregistered and nonexempt securities is a Class D felony.

CONCLUSIONS OF LAW

(23) This matter has been properly brought before the Arkansas Securities Commissioner in accordance with Ark. Code Ann. §§ 23-42-201 and 209.

(24) Information obtained by the Department indicates that investment contracts offered and sold to investors by Wayne Hicks, Lori Hicks, ALFII and MYICIS constitute securities under Ark. Code Ann. § 23-42-102(15)(A).

(25) The investment contracts are unregistered, non-exempt securities sold in the State of Arkansas and the offer and sale of such securities by Wayne Hicks, Lori Hicks, ALFII and MYICIS constitute violations of Ark. Code Ann. § 23-42-501.

(26) Wayne Hicks, Lori Hicks, ALFII and MYICIS have engaged in activity in violation of the Act by transacting business in this State as a broker-dealer and agent without registering as required under Ark. Code Ann. § 23-42-301.

(27) The offer and sale of securities by means of the false and misleading representations made by Wayne Hicks, Lori Hicks, ALFII and MYICIS as set forth in paragraphs 6 through 15 above, constitute violations of Ark. Code Ann. § 23-42-507.

OPINION

This Order is in the public interest.

In order to protect investors, and pursuant to Ark. Code Ann. § 23-42-209(a)(1), the Arkansas Securities Commissioner can and should order Wayne Hicks, Lori Hicks, ALFII and MYICIS to immediately Cease and Desist from further actions in the State of Arkansas in connection with the offer and sale of investment contracts and other securities transactions.

ORDER

IT IS THEREFORE ORDERED THAT Wayne Anthony Hicks, Sr., Lori Hicks, Americans For Lawful Independence and Information and My Icis, Inc. immediately CEASE AND DESIST from any further actions in the State of Arkansas in connection with the offer and sale of investment contracts or other securities and related activities as described in this Order and any further violations of the Act.

WITNESS MY HAND AND SEAL THIS 23rd DAY OF FEBRUARY, 2007.



MICHAEL JOHNSON
Securities Commissioner