

## BEFORE THE ARKANSAS SECURITIES COMMISSIONER ARKANSAS SECURITIES DEPT.

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**IN THE MATTER OF:  
MEGGATEL CORPORATION,  
WILLIAM W. EVANS, AND  
ARNON C. BOYD**

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**CASE NO S-14-0000  
ORDER NO. S-14-0000-15-OR01**

**CEASE AND DESIST ORDER**

On August 11, 2015, the Staff of the Arkansas Securities Department (“Staff”) filed its Request for a Cease and Desist Order (“Request”), stating that it has information and certain evidence that indicates Meggatel Corporation, William W. Evans, and Arnon C. Boyd have violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. § 23-42-101 through § 23-42-509, and the Rules of the Arkansas Securities Commissioner (“Rules”). The Arkansas Securities Commissioner (“Commissioner”) has reviewed the Request, and based upon representations made therein, finds that:

**FINDINGS OF FACT**

The Staff’s Request asserts the following representations of fact:

1. Meggatel Corporation (“Meggatel”) was a Nevada corporation until May 2014. Meggatel had its principal place of business in Texas. Meggatel was never registered with the Arkansas Securities Department (“Department”) in any capacity.
2. William W. Evans (“Evans”) is a resident of Texas. Evans was the president and CEO of Meggatel. Evans has never been registered with the Department in any capacity.
3. Arnon C. Boyd (“Boyd”), CRD no. 1918551, is a resident of Texas. Boyd was a director of Meggatel. Boyd was registered with the Department as a broker-dealer agent of Next

Financial Group, Inc. from June 8, 2010 until July 17, 2012. Boyd has not been registered with the Department in any capacity since July 17, 2012.

4. On or about September 3, 2012, Boyd, on behalf of Meggatel, offered and sold a promissory note to Arkansas resident one (“AR1”). A Copy of this Promissory Note with a common stock certificate is attached to the Staff’s Request as Exhibit 1. The check for AR1’s purchase of the promissory note and common stock was received by Meggatel on September 10, 2012. AR1 also completed Meggatel paperwork that stated AR1 was a retired, non-accredited investor. After receiving two quarterly payments from Meggatel, AR1 received no further payments of any principal or interest from Meggatel.

5. Boyd had been and was handling AR1’s investments at the time AR1 invested in Meggatel. In fact, Boyd strongly encouraged AR1 to invest in Meggatel. However, Boyd only told AR1 positive information about Meggatel. Boyd did not tell AR1 that there were any risks in buying the Promissory Note issued by Meggatel.

6. On or about August 31, 2012, Boyd sent an email to AR1. A Copy of this email is attached to the Staff’s Request as Exhibit 2. In his email Boyd told AR1, “So our stock holders of Meggatel not only get the income as an ETC (eligible telecommunications carrier) provider, but also from Veri-Fly; probably another few million a year in income with potential for so much more if the government likes our system to eliminate double dipping.” Boyd provided no factual basis for his claim about the income potential for Meggatel from Veri-Fly Data Corporation (“Veri-Fly”). Boyd statements about the income potential of Veri-Fly are mere speculation. Later in the same email Boyd states, “Then we have a divine appointment with the governor of Kansas. We have been told he would like to visit with us about the Veri-Fly system for use in his state. If he likes it, then they, along with Oklahoma and Arkansas, will require all ETC

companies to use Veri-Fly's verification system." The rules, requirements, and eligibility of ETCs are set by the Federal government and a federal government non-profit corporation. The governor of Kansas simply had no control over who was required to use Veri-Fly.

7. On or about September 10, 2012, Evans, as CEO of Meggatel, sent a letter on Meggatel stationary to AR1. A Copy of this letter is attached to the Staff's Request as Exhibit 3. In his letter Evans stated, "USAC (United Services Administration Corporation) will soon require all competitive ETC's, including Meggatel to use Veri-Fly Data's system..." Since Veri-Fly was not incorporated until September 6, 2012, it cannot be true that by September 10, 2012 the USAC had already decided to require all ETCs to use Veri-Fly. Later in his letter Evans stated, "This week alone, Veri-Fly has had three major companies, like Meggatel, hire Veri-Fly Data Corp to verify that their new subscribers are following USAC's protocols and as well as the Notice of Proposed Rulemaking (NPRM)." In view of the fact that on September 10, 2012 Veri-Fly had only existed as a corporation for four days, it cannot be true that three major companies had already hired Veri-Fly.

8. On or about April 11, 2013, Evans filed paperwork with the United States Securities and Exchange Commission requesting covered securities status under Regulation D, Rule 506 for the securities issued by Meggatel.

9. On or about April 23, 2013, Evans caused Regulation D, Rule 506 notice of sales paperwork to be filed with the Department concerning the securities issued by Meggatel. However, as stated in paragraph 5 above, the first sale of Meggatel securities in Arkansas was on or about September 3, 2012.

## CONCLUSIONS OF LAW

9. Ark. Code Ann. § 23-42-102(17)(A)(i) defines a promissory note as a security. The promissory note offered and sold to AR1 by Boyd on behalf of Meggatel was a security as defined by Ark. Code Ann. § 23-42-102(17)(A)(i).

10. Ark. Code Ann. § 23-42-507(2) states that it is unlawful for any person, in connection with the sale of any security, directly or indirectly, to make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it was made, not misleading. Boyd violated Ark. Code Ann. § 23-42-507(2), when he made misstatements and misleading statements to AR1 as detailed in paragraphs number 5 and 6. Meggatel and Evans violated Ark. Code Ann. § 23-42-507(2), when they made misstatements and misleading statements to AR1 as detailed in paragraph number 7.

11. Ark. Code Ann. § 23-42-509(c)(1) and Rule 509.01(b) require that notice filings for covered securities be made no later than 15 days after the first sale in Arkansas. Meggatel and Evans violated Ark. Code Ann. § 23-42-509(c)(1) and Rule 509.01(b), when they made a notice filing that was 7 months past the 15 day filing requirement as detailed in paragraph 9.

12. Ark. Code Ann. § 23-42-209(a)(1)(A) states 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 the Act or any rule or order under the Act, the Commissioner may summarily order the person to cease and desist from the act or practice. The conduct, acts, and practices of Meggatel, Evans, and Boyd threaten immediate and irreparable public harm. A cease and desist

order is in the public interest and is appropriate pursuant to Ark. Code Ann. § 23-42-209(a)(1)(A).

**ORDER**

IT IS THEREFORE ORDERED that Meggatel, Evans, and Boyd immediately CEASE AND DESIST from offering and/or selling any securities in Arkansas through the use of misstatements and/or omissions of material information.

A hearing on this Order shall be held if requested by Meggatel, Evans, and/or Boyd in writing within thirty (30) days of the date of the entry of this Order, or if otherwise ordered by the Commissioner. Such request should be addressed to the Commissioner and submitted to the following address:

Arkansas Securities Commissioner  
201 East Markham, Suite 300  
Little Rock, Arkansas 72201

If no hearing is requested and none is ordered by the Commissioner, this Order will remain in effect until it is modified or vacated by the Commissioner. *See* Ark. Code Ann. § 23-42-209(a)(2).



B. Edmond Waters  
Arkansas Securities Commissioner

8-11-15

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Date