

STATE OF ARKANSAS
SECURITIES DEPARTMENT

IN THE MATTER OF

CEASE & DESIST ORDER

ATM USA CORPORATION;
ATM USA CORPORATION ACQUISITION
PROGRAM - ALPHA SERIES LIMITED
PARTNERSHIP;
PRINCIPALS, OFFICERS, DIRECTORS, AGENTS,
ACCOUNT EXECUTIVES, AND AFFILIATES,
including, but not limited to,
WILLIAM H. MIRACLE.

NO. 99-027-S

CEASE AND DESIST ORDER

The Arkansas Securities Department ("Department") has received information and has in its possession certain evidence which indicates that ATM USA Corporation, Inc. ("ATM"), ATM USA Corporation Acquisition Program - Alpha Series Limited Partnership ("Alpha"), and William H. Miracle ("Miracle") have violated provisions of the Arkansas Securities Act ("Act"), Ark. Code Ann. § 23-42-101 et seq.

FINDINGS OF FACT

1. According to documents and information received by the Department, ATM is a Texas corporation with offices located in 2500 City West Boulevard, Suite 300, Houston, Texas 77042 and is the general partner of Alpha. Alpha has the same address as ATM.
2. According to documents and information received by the Department, Miracle is the President of ATM.
3. Miracle sold a limited partnership unit ("Unit") of Alpha in ATM to an Arkansas resident on or after March 24, 1997.
4. According to documents and information received by the Department, the Unit purchase agreement provides for a performance bond issued by The Insurance Firm, Inc., ("Firm") an Ohio Corporation. The language implies an insurance product issued by an insurance company. According to a representative of the Enforcement Division of the Ohio Department of Insurance the Firm is not registered as an insurance company or insurance agency with the State of Ohio.
5. According to documents and information received by the Department, in June 1997, the Pennsylvania Securities Commission, issued a cease and desist order against ATM, Miracle, inter alios, for failure to register or exempt from registration its limited partnership offerings in an automated teller machine venture controlled by ATM.
6. According to documents and information received by the Department, on May 21, 1998, the Missouri Office of the Secretary of State, issued a cease and desist order against ATM and Miracle, inter alios, for failure to register or exempt from registration its limited liability company offering in an automated teller machine venture controlled by ATM.

7. According to documents and information received by the Department, on December 22, 1998, the Indiana Office of the Secretary of State, Securities Division, issued a cease and desist order against ATM, Miracle, inter alios, for failure to register or exempt from registration its limited partnership offerings in an automated teller machine venture controlled by ATM.
8. According to documents and information received by the Department, on April 22, 1999, the Ohio Department of Commerce, Division of Securities, issued a cease and desist order against ATM, inter alios, for failure to register or exempt from registration its interest offerings in an automated teller machine venture controlled by ATM.
9. The Units are securities as that term is defined by the Act, Ark. Code Ann. § 23-42-102(15)(A). According to the records of the Arkansas Securities Commissioner, these securities are not registered with the Commissioner, nor has an exemption from registration been filed and approved by the Commissioner. Further, the securities are not "covered securities" as defined by the Act. Ark. Code Ann. § 23-42-102(4).
10. According to documents and information received by the Department, there is no disclosure that ATM, Miracle, or Alpha are registered, or exempted from registration, with Arkansas as an issue, a broker-dealer, or n agent of the issuer, as appropriate.
11. ATM and Alpha are each an "issuer" as that term is defined by the ACT, to-wit: "every person who issues or proposes to issue any security . . ." Ark. Code Ann. § 23-42-102(9).
12. Miracle is an "agent" as that term is defined by the Act, to-wit: "any individual . . . who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities." Ark. Code Ann. § 23-42-102(2)(A).

CONCLUSIONS OF LAW

13. Ark. Code Ann. § 23-42-201 gives the Arkansas Securities Commissioner authority to administer the provisions of the Act.
14. Ark. Code Ann. § 23-42-209(a)(1) provides that, when it appears to the Commissioner that sufficient grounds or evidence exist that any person has violated or is about to violate any provision of the Act, the Commissioner may summarily order the person to cease and desist from that act or practice.
15. Ark. Code Ann. § 23-42-301(a) provides that it is unlawful for any person to transact business in this state as a broker-dealer or agent unless he is registered under this chapter.
16. Ark. Code Ann. § 23-42-301(b) provides that is unlawful for any issuer to employ an unregistered agent.
17. Ark. Code Ann. § 23-42-501 provides that it is unlawful for a person to offer or sell any security in this state unless the security is registered in accordance with the Act, exempt from that registration, or a covered security.
18. Ark. Code Ann. § 23-42-507 states:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly:

- (1) To employ any device, scheme, or artifice to defraud;
- (2) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are

made, not misleading; or

- (3) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

OPINIONS

19. For reasons set forth herein, and based upon Findings of Fact and Conclusions of Law recited above, it is the opinion of the Commissioner that:
20. This matter has been properly brought before the Commissioner.
21. The Units are securities subject to the registration requirements of the Act.
22. Miracle effected the offer and sale of the Units in Arkansas.
23. The Units have not been registered with the Department, neither are they exempt from that registration nor are they covered securities.
24. Miracle is not registered with the Department as an agent of the issuer for ATM or Alpha.
25. ATM, Alpha, and Miracle have engaged in fraud, in violation of Ark. Code Ann. § 23-42-507, in that they engaged in a course of business which deceived or could deceive Arkansas residents into believing the offer and sale of the Units in Arkansas was lawful.
26. ATM, Alpha, and Miracle have engaged in fraud, in violation of Ark. Code Ann. § 23-42-507, in that they used language to imply and mislead the average person to believe that the Units were backed by a performance bond issued by an insurance company.
27. ATM, Alpha, and Miracle, and agents thereof, should immediately cease and desist from further solicitation and/or sale of the Units.
28. ATM, Alpha, and Miracle, and agents thereof, should immediately cease and desist from the collection of funds from any Arkansas resident.
29. This order is in the public interest.

ORDER

IT IS THEREFORE ORDERED THAT ATM USA Corporation, ATM USA Corporation Acquisition Program - Alpha Series Limited Partnership, and William H. Miracle, the Principals, Officers, Directors, Agents, Account Executives, and Affiliates of the foregoing, including, but not limited to, William H. Miracle, CEASE AND DESIST from any future action in the State of Arkansas in connection with the offer and sale of securities until such persons and offerings are properly registered or exempt from registration with Arkansas.

WITNESS MY HAND AND SEAL this 23rd day of June 1999.

MAC DODSON
SECURITIES COMMISSIONER