

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

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IN THE MATTER OF: )  
)

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

**TEMPORARY ORDER OF PROHIBITION**

**TO RESPONDENTS:** Richard R. Kelsey  
227 Depot Street  
Antioch, Illinois 60002  
  
IspottedYou.com Inc  
227 Depot Street  
Antioch, Illinois 60002

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find

**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")

## Temporary Order of Prohibition

-2-

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.
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

Temporary Order of Prohibition

-3-

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 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

## Temporary Order of Prohibition

-4-

- 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.
- 20 Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act
- 21 The entry of this **Temporary Order of Prohibition** prohibiting Respondents, or their agents, affiliates, successors and employees, from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act

NOW THEREFORE IT IS HEREBY ORDERED THAT pursuant to the authority granted by Section 11.F of the Act, Respondents Richard R. Kelsey and IspottedYou.com Inc. and his/its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, are **Temporarily Prohibited** from offering or selling securities in or from this State until the further Order of the Secretary of State


NOTICE: is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the **Temporary Order of Prohibition**. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and will extend the effectiveness of this Temporary Order of Prohibition for ninety (90) days from the date the hearing request is received by the Department

Temporary Order of Prohibition

-5-

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 28<sup>th</sup> day of December 2009

  
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JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State  
Mary A. Lopez  
Illinois Securities Department  
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