

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: PREVENTION LABORATORIES, LLC,)
ITS OFFICERS, DIRECTORS,)
EMPLOYEES, AFFILIATES, SUCCESSORS,) File No. 0700534
AGENTS AND ASSIGNS,)
AND JERRY A. DOUGLAS)
)

CONSENT ORDER

TO THE RESPONDENT: Jerry A. Douglas
C/O Alfred Sanders, Esq.
4501 W. DeYoung St., Ste B103
Marion, Illinois 62959

WHEREAS, Respondent Jerry A. Douglas (the "Respondent") on February 5, 2009, executed a certain Stipulation To Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing in this matter and the Respondent has consented to the entry of this Consent Order.

WHEREAS, the Secretary of State, by and through his designated representative, the Securities Director, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceeding.

WHEREAS, the Respondent has acknowledged, while neither admitting or denying the truth thereof, that the allegations contained in paragraph seven (7) of the Stipulation shall be adopted as the Secretary of State's Findings of Fact as follows:

1. That Prevention Laboratories, LLC (hereinafter, Prevention Laboratories) is a purported business entity, with a last known address of 5110 Hwy. 34 N, P.O. Box 8, Raleigh, Illinois 62977;
2. That at all times relevant, the Respondent, Jerry A. Douglas, was chief managing member/CEO of Prevention Laboratories;

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3. That on or about May 11, 2006, Respondent Jerry A. Douglas offered and sold to BB, an Illinois resident, 8,000 "units of membership" in Prevention Laboratories for a total investment of \$10,000;
4. That each of the above referenced units of membership is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
5. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
6. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
7. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the provisions of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof;
8. That at all times relevant hereto, Respondent Jerry A. Douglas failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
9. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
10. That Section 11.E(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or salesperson without prior thereto and at the time thereof having

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complied with the registration or notice filing requirements of this Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;

11. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
12. That by virtue of the foregoing, Respondent Jerry A. Douglas is subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

WHEREAS, the Respondent has acknowledged, while neither admitting or denying the truth thereof, that the allegations contained in paragraph eight (8) of the Stipulation shall be adopted as the Secretary of State's Conclusions of Law as follows:

1. That by virtue of the foregoing, Respondent Jerry A. Douglas has violated Sections 12.A and 12.D of the Act;
2. That by virtue of the foregoing, Respondent Jerry A. Douglas is subject to an Order which permanently prohibits Respondent from offering and/or selling securities in the State of Illinois;

WHEREAS, Respondent Jerry A. Douglas shall be permanently prohibited from offering and/or selling securities in the State of Illinois except in compliance with the Act and as described otherwise within the aforementioned Stipulation and this Consent Order;

WHEREAS, Respondent Jerry Douglas shall be permanently prohibited from offering or selling Prevention Laboratories, LLC securities in the State of Illinois with no exceptions.

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NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. The foresaid allegations contained in the Stipulation shall be and are hereby adopted as the Secretary of State's Findings of Fact and Conclusions of Law;
2. The Respondent Jerry Douglas shall be permanently prohibited from offering and/or selling securities in the State of Illinois except in compliance with the Act and as described otherwise within the aforementioned Stipulation and this Consent Order;
3. The Respondent Jerry Douglas shall be permanently prohibited from offering or selling Prevention Laboratories, LLC securities in the State of Illinois with no exceptions.

ENTERED: This 6th day of February, 2009.



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12(D) of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

Attorney for the Secretary of State
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Hearing Officer:
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