

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: GEORGE WARREN INGRAM

)
) File No. 0600600
)

ORDER OF PROHIBITION

TO THE RESPONDENT: George Warren Ingram
17635 Henderson Pass 927
San Antonio, Texas 78232

WHEREAS, the record of the above captioned matter has been reviewed by the Secretary of State or his duly authorized representative;

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State;

WHEREAS, the proposed Findings of Facts and Conclusions of Law and Recommendation of the Hearing officer, Jon K. Ellis, in the above-captioned matter have been read and examined;

WHEREAS, the following proposed Findings of Fact are correct and are adopted by the Secretary of State as follows:

1. The pleadings and exhibits have been offered and received from the Department and a proper record of all proceedings has been made and preserved as required by law.
2. The Hearing Officer has ruled on all motions and objections timely made and submitted.
3. The Hearing Officer and the Secretary of State Securities Department have jurisdiction over the parties herein and subject matter dealt with herein, due and proper notice having been previously given as required by statute in this Matter.
4. As no Answer was timely filed, the Respondent is therefore deemed to be in default.

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5. The Respondent is an individual with a last known address of 17635 Henderson Pass, San Antonio, Texas 78232.
6. At all times relevant, the Respondent was a resident of Illinois, whose Illinois mailing addresses included P.O. Box 9746, Springfield, Illinois 62791 and 85 Country Place, Springfield, Illinois 62703.
7. On or about March 10, 2006, the Respondent offered and sold to RT 1,500,000 shares of American PureTex Water Corporation for a total amount of \$165,00.00, the purchase of which was a required condition placed upon RT by the Respondent for the purpose of entering into a purported employment agreement between the Respondent and RT.
8. On or about July 17, 2006, the Respondent offered and sold to FJ 500,000 shares of American PureTex Water Corporation for a total amount of \$250,000.00, the purchase of which was a required condition placed upon FJ by the Respondent for the purpose of entering into a purported employment agreement between the Respondent and FJ.
9. On or about July 24, 2006, the Respondent offered and sold to DB 1,500,000 shares of American PureTex Water Corporation for a total amount of \$300,000.00, the purchase of which was a required condition placed upon DB by the Respondent for the purpose of entering into a purported employment agreement between the Respondent and DB.
10. Prior to the aforesaid transactions the Respondent had been found guilty and convicted of the felony criminal offense of Theft of Service in Bexar County, Texas and that at the time of the aforesaid transactions, the Respondent was serving probation for said felony criminal offense.
11. At all times relevant, the Respondent failed to disclose to RT, FJ and DB that the Respondent had been found guilty and convicted of a felony criminal offense of Theft of Service in Bexar County, Texas, and was serving probation for the said felony criminal offense.

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12. Other than several salary and expense payments to FJ and DB which stopped in 2006, RT, FJ and DB have not received any return for their investment nor have they been reimbursed for their purchase of the aforesaid shares.
13. Each of the aforementioned shares of American PureTex Water Corporation is a security as that term is defined pursuant to Section 2.1 of the Act.
14. Section 5 of the Act provides that all securities except those set forth under Section 2a, or those exempt under Section 3, 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.
15. That Section 2.1 of the Act (815 ILCS 5/2.1) defines the term "Security" as any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit sharing agreement, collateral trust certificate, pre-organization certificate or subscription, transferable share, investment contract, investment fund share, face-amount certificate, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral lease, right or royalty, any put, call, straddle, option, or privilege on any security, certificate of deposit or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "Security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. "Security" does not mean a mineral investment contract or a mineral deferred delivery contract; provided, however, the Department shall have authority to regulate these contracts as hereinafter provided.
16. That Section 2.5 of the Act (815 ILCS 5/2.5) defines the term "Sale or Sell" to include the full meaning of that term as applied by or accepted in the courts of this State, and shall include every contract of sale or

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- disposition of a security or interest in a security of value.
17. That Section 2.5a of the Act (815 ILCS 5/2a) defines the term "Offer" to include every offer to sell or otherwise dispose of, solicitation of an offer to purchase, a security or interest in a security for value; provided that the term "Offer" shall not include preliminary negotiations or agreements between an issuer and any underwriter or among underwriters who are or are to be in privity of contract with an issuer, or a the circulation or publication of an identifying statement or circular or preliminary prospectus, as defined by rules or regulations of the Secretary of State.
 18. 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 any securities 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 of the Act for any person to fail to file with the Secretary of State any document required to be filed under any provision of the Act.
 20. Section 12.G of the Act provides, inter alia, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by 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 the light of the circumstances under which they were made, not misleading.
 21. At all times relevant hereto, the Respondent 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.
 22. At all times relevant hereto, the Respondent obtained money or property from RT, FJ and DB by means of an untrue statement of material fact or an omission to state a material fact by failing to disclose that the Respondent was convicted of, and on probation for, the criminal felony offense of Theft of Service, in that if such fact was disclosed, RT, FJ and DB would not have entered into said employment contracts nor purchased said shares; furthermore, other than several salary and

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expense payments to FJ and DB which stopped in 2006, RT, FJ and DB have not received any return on their investment nor have they been reimbursed for their purchase of the aforesaid shares.

23. By virtue of the foregoing, the Respondent has violated Sections 12.A, D and G of the Act.
24. Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsections D or G 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, provided that any person who is the subject of an order of permanent prohibition may petition the Secretary of State for a hearing to present evidence of rehabilitation or change of circumstances justifying the amendment or termination of the order of permanent prohibition.
25. 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 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.
26. 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, and may issue an order of public censure against the violator.
27. By virtue of the foregoing, the Respondent George Warren Ingram 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.
28. The entry of a final written Order of Permanent Prohibition is proper in this Matter given the conduct of

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the Respondent as described in the pleadings and Secretary of State Exhibits No. 1-10.

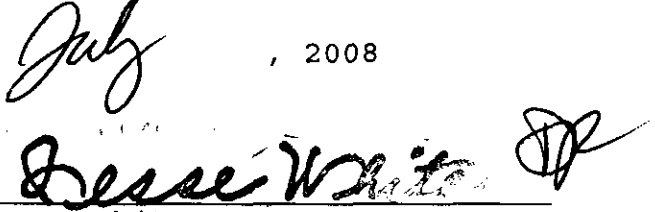
WHEREAS, the following proposed Conclusions of Law are correct and are adopted by the Secretary of State as follows:

1. The actions, representations, and/or omissions of the Respondent made in connection with the failure to offer or sell any security in accordance with the provisions of the Act are violations of Section 12.A of the Act. The actions, representations, and/or omissions of the Respondent made in connection with the failure to file required documents with the Secretary of State are violations of Section 12.D of the Act. The actions, representations, and/or omissions of the Respondent which were untrue or misleading of material facts and were made to obtain money from purchasers are violation of Section 12.G of the Act.
2. Because of the Findings of this Order, the pleadings, and Exhibits admitted as Secretary of State Exhibits Nos. 1-10, the Respondent is subject to the entry of a final written Order that permanently prohibits the Respondents pursuant to Sections 11.E(2) and 11.E(3) of the Act from offering or selling securities in the State of Illinois, imposes a fine pursuant to Section 11.E(4) of the Act not to exceed \$10,000.00 for each violation of the Act, and grants such other relief as may be authorized under the Act.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Respondent, George Warren Ingram, shall be permanently prohibited from offering or selling securities in the State of Illinois; and
2. The Respondent, George Warren Ingram, shall pay a fine of \$30,000.00 for multiple violations of the Act; and

ENTERED: This 31st day of July, 2008



Jesse White
Secretary of State
State of Illinois

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NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of 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 the Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Illinois Securities Act, [14 Ill. Admin. Code Ch. I, Section 130.1123]. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:
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