

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: GEORGE WARREN INGRAM

) File No. 0600600
)

NOTICE OF HEARING

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

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953, [815 ILCS 5/1 et seq.] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 300 West Jefferson Street, Suite 300A, Springfield, Illinois 62702, on the 16th day of July, 2008, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. Ellis, or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order of Prohibition should be entered against George Warren Ingram (the "Respondent") in the State of Illinois and granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to Section 11 of the Act, payable within ten (10) days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That Respondent, George Warren Ingram, is an individual with last known addresses of 17635 Henderson Pass, San Antonio, Texas 78232;
2. That at all times relevant, the Respondent, George Warren Ingram, was a resident of Illinois, whose Illinois mailing addresses included P.O. Box 9746, Springfield, Illinois 62791 and 85 Country Place, Springfield, Illinois 62703;
3. That on or about March 10, 2006, the Respondent George Warren Ingram offered and sold to RT 1,500,000 shares of American PureTex Water Corporation for a total amount of

Notice of Hearing

-2-

\$165,000, the purchase of which was a required condition placed upon RT by Respondent for the purpose of entering into a purported employment agreement between the Respondent and RT;

4. That on or about July 17, 2006, the Respondent George Warren Ingram, offered and sold to FJ 500,000 shares of American PureTex Water Corporation for a total amount of \$250,000, the purchase of which was a required condition placed upon FJ by Respondent for the purpose of entering into a purported employment agreement between the Respondent and FJ;
5. That on or about July 24, 2006, the Respondent George Warren Ingram offered and sold to DB 1,500,000 shares of American PureTex Water Corporation for a total amount of \$300,000, the purchase of which was a required condition placed upon DB by Respondent for the purpose of entering into a purported employment agreement between the Respondent and DB;
6. That prior to the aforesaid transactions, Respondent George Warren Ingram 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, Respondent George Warren Ingram was serving probation for said felony criminal offense;
7. At all times relevant, Respondent George Warren Ingram failed to disclose to RT, FJ and DB that George Ingram had been found guilty and convicted of a felony criminal offense of THEFT OF SERVICE in Bexar County, Texas, and was serving probation for said felony criminal offense;
8. That other than several salary and expense payments to FJ and DB which stopped in 2006, RT, FJ and DB have not received any return from their investment nor have they been reimbursed for their purchase of the aforesaid shares;
9. That 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 Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
10. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or

Notice of Hearing

-3-

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;

11. 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;
12. That 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 or application required to be filed under the provision of the Act;
10. That 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;
13. That at all times relevant hereto, the Respondent George Warren Ingram 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;
14. That at all times relevant hereto, the Respondent George Warren Ingram 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 George Warren Ingram 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 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;
15. That by virtue of the foregoing, the Respondent George Warren Ingram has violated Sections 12.A, 12.D and 12.G of the Act;

Notice of Hearing

-4-

16. 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 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;
17. 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 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;
18. 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 an order of public censure and the costs of investigation and reasonable expenses;
19. That 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.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.


Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default.

Notice of Hearing

-5-

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondents.

Dated this 5th day of May, 2008.


Jesse White
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Johan Schripsema
Illinois Securities Department
350 Seright, Suite C
Harrisburg, Illinois 62946

Hearing Officer:

Jon K. Ellis
1035 South 2nd Street
Springfield, Illinois 62704
Telephone (217) 528-6835
Fax: (217) 528-6837