

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: TOM SMITH AND  
DESIGNED4HITS.

FILE NO. 0300944

ORDER OF PROHIBITION

**TO RESPONDENTS:** Tom Smith  
3932309 Spring Court  
Spring Road, Hale  
Cheshire, WA142UQ, UK

Designed4Hits  
83 London Road,  
Northwich, Cheshire, CW9 5HQ,  
United Kingdom

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on November 8, 2005 temporarily prohibiting Respondent from offering or selling securities in the State of Illinois until further order of the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Respondent has failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and Respondent is hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duty authorized representatives, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Final Findings of Fact as follows:

1. Respondent, Tom Smith, (hereinafter "Respondent #1") has a last known address of 3932309 Spring Court, Spring Road, Hale; Cheshire, WA142UQ, United Kingdom.

2. Respondent, Designed4Hits (hereinafter "Respondent #2") has a last known address of 83 London Road, Northwich, Cheshire, CW9 5HQ, United Kingdom.
3. At all times relevant to this Temporary Order of Prohibition, Respondent #1 was Managing Director of Respondent #2, Designed4Hits, a design and marketing agency.
4. Complainant, Helen Brown, (hereinafter "Complainant") is an Illinois resident.

**Count 1: Failure to Register Securities**

5. Between April of 2001 and April of 2002, Respondents repeatedly solicited Complainant to purchase shares of Designed4Hits.
6. In April of 2002 Complainant agreed to purchase from Respondent #1 5% of Designed4Hits' shares amounting to \$4,000.
7. In April of 2002 Complainant wired a \$4,000 payment to the personal bank account of Respondent #1's wife, in accordance with Respondent #1's instructions to Complainant.
8. To date, after wiring her payment as instructed, Complainant has yet to receive any certificates from Respondents or any documentation from Respondents indicating that she owns the shares she purchased in April of 2002.
9. The activities described above constitute the offer and sale of 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] (the "Act").
10. 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.
11. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
12. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, ("the Act") provides, *inter alia*, that it shall be a violation 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 the Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State's Conclusion of Law as follows:

13. By virtue of the foregoing, Respondents violated 12.D of the Act.

**Count 2: Fraud**


14. Paragraphs 1-9 of Count I are realleged and incorporated by reference and are fully set forth herein.
15. Section 12.F of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, ("the Act") provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State's Conclusion of Law as follows:

16. By virtue of the foregoing, Respondents violated 12.F of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent Tom Smith and Respondent Designed4Hits, its board members, agents, affiliates, successors and employees, are permanently PROHIBITED from offering or selling securities in the State of Illinois.

Dated: This 11<sup>th</sup> day of May 2006.

  
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 Act. Any person or entity who fails to comply with the terms of this Order shall be a violation of 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 this Order, shall be guilty of 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, Sec. 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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