

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: TEL-ART PRODUCTIONS, )  
ITS OFFICERS, DIRECTORS, ) File No. 00500692  
EMPLOYEES, AFFILIATES, SUCCESSORS, )  
AGENTS AND ASSIGNS, )  
AND JOHN F. BAILEY )

ORDER OF PROHIBITION

TO THE RESPONDENT: Tel-Art Productions  
John F. Bailey  
3915 North Dirksen  
Springfield, Illinois 62707

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on February 23, 2006, prohibiting Respondent Tel-Art Productions, its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including John F. Bailey, 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 5/1 et seq.] (the "Act"), the failure to request a hearing within thirty days of the entry of the Temporary Order of Prohibition shall constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Respondent Tel-Art Productions, its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including John F. Bailey, has failed to request a hearing on the matters contained in the said Temporary Order within thirty days of the entry of said Temporary Order and are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's final Findings of Fact as follows

Count I (Violation of 12.A and 12.D)

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1. That Respondent, Tel-Art Productions is a purported business entity, with a last known address of 3915 North Dirksen Avenue, Springfield, Illinois 62707;
2. That, at all times relevant the Respondent John F Bailey was an officer, director, agent or employee of Tel-Art Productions;
3. That on or about December 29, 2005, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, offered to at least one (1) Illinois resident an investment plan whereby Respondent would promote various band concerts and that, in exchange for an initial investment of \$40,000 per concert, said Illinois resident would receive a full return of his investment plus 15% interest of the total invested within 48 hours after each concert;
4. That on or about January 3, 2006, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, again discussed the aforesaid offer with the aforesaid Illinois resident, representing that Respondent had several band concerts "booked" at specific venues and advised aforesaid Illinois resident that Respondent was willing to accept \$20,000 but needed the money as soon as possible, indicating again that the aforesaid Illinois resident would receive 15% of the total profits from the aforesaid band concerts if this Illinois resident chose to invest;
5. On or about January 4, 2006, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F Bailey, contacted the aforesaid Illinois resident to inquire whether the Illinois resident had received the contract for the aforementioned investment plan and requested advice as to whether said Illinois resident was going to invest in the aforementioned investment plan;
6. That on or about January 7, 2006, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F Bailey, again contacted aforementioned Illinois resident requesting advice as

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to whether said Illinois resident was going to invest in the aforementioned investment plan;

7. That on or about January 8, 2006, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, contacted the aforesaid Illinois resident and advised that Respondent was now willing to accept \$10,000 instead of the original aforesaid \$40,000 investment offer;
8. That on or about January 9, 2006, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, contacted the Illinois resident and advised said Illinois resident that Respondent had booked another show, that Respondent was going to have to start looking for more interested investors, and requested further advice from the aforesaid Illinois resident as to whether said Illinois resident was going to invest in the aforementioned investment plan;
9. That during the remainder of the month of January, 2006, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, made repeated phone calls to the Illinois resident continuing Respondent's solicitation of the aforementioned offer;
10. That the above referenced investment plan is an investment contract and is therefore 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");
11. 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;
12. 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;

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13. 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 provisions of the Act;
- 14 That at all times relevant hereto, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, 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;
15. That Section 11 F(2) of the Act provides, inter alia, that the Respondent's failure to request a hearing within 30 days after the date of the entry of the Temporary Order shall constitute an admission of any facts alleged therein and shall constitute sufficient basis to make the Temporary Order final;

Count II (Violation of 12.F)

- 1-10. Paragraphs 1-10 of Count I are re-alleged and incorporated as paragraphs 1-10 of this Count II;
11. That during the months of November and December, 2005, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, represented to the Illinois resident that John F. Bailey was an attorney and that John F. Bailey had "booked" specific concert bands to perform on specific future dates at specific venues; furthermore, at all times relevant, Respondent failed to disclose that John F. Bailey was currently on federal parole for felony armed robbery;
12. That Section 12.F of 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 connection with the sale of purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof;
- 13 That at all times relevant hereto, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, engaged in a transaction,

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practice or course of business in connection with the sale or purchase of securities which tended to work a fraud or deceit on the purchaser, in that in an effort to induce the Illinois resident to invest in Respondent's purported business, Respondent represented to the Illinois resident that John F. Bailey was an attorney, that John F. Bailey had "booked" specific concert bands to perform on specific future dates at specific venues and failed to disclose that John F. Bailey was currently on federal parole for armed robbery, when in fact John F. Bailey was not an attorney, had not booked any of the aforementioned concert bands for the aforementioned dates or venues, and was currently on federal parole for felony armed robbery.

- 14 That Section 11 F(2) of the Act provides, inter alia, that the Respondent's failure to request a hearing within 30 days after the date of the entry of the Temporary Order shall constitute an admission of any facts alleged therein and shall constitute sufficient basis to make the Temporary Order final,

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 final Conclusions of Law as follows:

1. That by virtue of the foregoing, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, has violated Sections 12.A, 12.D and 12 F of the Act;
2. That by virtue of the foregoing, the Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, is subject, pursuant to Section 11.F of the Act, to an Order which permanently prohibits Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F. Bailey, from offering or selling securities in the State of Illinois.


NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11 F of the Act, Respondent Tel-Art Productions, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including John F.

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Bailey, is hereby prohibited from offering or selling securities in the State of Illinois until further order of the Secretary of State

ENTERED. This 27 day of March, 2006

  
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Jesse White  
Secretary of State  
State of Illinois

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

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