

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: JON A. DARMSTADTER)
_____))
_____)

FILE NO. C0100052

AMENDED NOTICE OF HEARING

TO RESPONDENT:

Jon A. Darmstadter
40 Roger Williams Road
Highland Park, IL 60035

Jon A. Darmstadter
c/o Henderson & Lyman
Andrew May, Esq.
175 West Jackson
Suite 240
Chicago, IL 60604

You are hereby notified that, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K (the "Rules"), a public hearing will be held at 17 N. State Street, Suite 1266, Chicago, Illinois 60602, on the 14th of April, 2004, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Soula J. Spyropoulos or such other duly designated Hearing Officer of the Secretary of State. By your request for a hearing, you agree to a tolling of the time limitation on the effectiveness of the Temporary Order of Prohibition for 60 days from the date the request is received by the Department.

This hearing will be held to determine whether an Order should be entered pursuant to Section 11.E of the Act prohibiting Respondent from selling or offering for sale securities in the State of Illinois and/or 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.E(4) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

Count I
Unregistered Sale of Securities

1. Little Bell and Company LLC ("Little Bell") is a business entity with a last known address of 2205 13th Street, Winthrop Harbor, IL 60096.
2. Doug Little ("Little") is an individual with a last known address of 2205 13th Street, Winthrop Harbor, IL 60096. Little is a partner with Little Bell.
3. Jon Darmstadter ("Darmstadter" or "Respondent") is an individual with a last known address of 40 Roger Williams Road, Highland Park, IL 60035.
4. During all relevant times prior to January 24, 2001, Darmstadter was the President of a company named EKIDnetwork.com., Inc. ("EKID")
5. In or about January 24, 2001 EKID merged with East Coeur D'Alene Silver Mines. The surviving entity became know as Zkid Network Company ("Zkid").
6. Since January 24, 2001, Darmstadter has been the Chief Executive Officer, Chief Financial Officer and majority shareholder of Zkid.
7. Shilimoon Youkhana ("Youkhana") is an Illinois resident.
8. In or about January 2000, Darmstadter offered and sold a \$50,000.00 promissory note (the "Promissory Note") to Douglas Little. Darmstadter signed a receipt acknowledging, "received fifty thousand dollars (\$50,000) for the purchase of a note from Mr. Tom Scallon to be converted to one hundred fifty-six thousand (156,000) shares of the to be merged company EKIDnetwork.com, Inc." As collateral for the loan Darmstadter provided Little with a stock certificate for 100,000 shares of restricted stock in The Children's Beverage Group, Inc. (the "Certificate").
9. In or about January 2000, Little offered to Youkhana and other members of Youkhana's family (the "Investors") an opportunity to buy "pre-IPO" shares in EKID. Little said that he was negotiating a deal with the President of EKID to buy 100,000 shares at \$1.00 per share, of which he would personally buy 50,000 shares and sell the remaining 50,000 shares.
10. In or about February 2000, Investors purchased 15,000 shares of stock in EKID at \$1.00 per share. Investors purchased the shares with checks (the "Checks") made payable to Little Bell.
11. On or about February 10, 2000, Little sent Investors a memorandum (the "Memo") regarding Little's purchase of a convertible note for \$50,000 which would be converted to shares of the to be merged company EKID.

12. In the Memo, Little promised to issue a letter of direction to the company's transfer agent AST, Inc., to issue the appropriate number of shares to each Investor. The timetable attached to the Memo indicated that the shares would be received around February 28, 2000.
13. The Memo also indicated that after the completion of the reverse merger the number of available free trade shares (street stock) of EKID would be approximately 50,000 shares. The timetable attached to the Memo indicated that the stock would go public around March 6-15, 2000.
14. On or about February 21, 2000, Little sent to Investors receipts for their Checks and assignments of their respective shares of Little's rights and interests in the Certificate.
15. Within two months of the Investor's purchases, Darmstadter learned that Little had offered and sold shares of EKID to Investors (the "Sale").
16. Darmstadter knew or should have known that Little had used the proceeds of the Sale to purchase the Promissory Note.
17. Darmstadter knew that the Sale to the Investors would invalidate the claim of exemption from registration for the transactions.
18. Despite this knowledge, Darmstadter did not undertake any course of conduct to clarify that Little was acting on neither the behalf of Darmstadter nor EKID.
19. Furthermore, despite receiving the proceeds from the Sale, Darmstadter did not inform the Investors that the EKID shares would not be available to the Investors.
20. Respondent Darmstadter, as president, failed to issue any shares of EKID to Little or the Investors.
21. Investors made several attempts to contact Little and Little Bell for their stock certificates or the return of their investment, but Little and Little Bell failed to provide any stock certificates for their shares in EKID.
22. Section 2.1 of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act") provides, inter alia, that a "security" means any stock, note or evidence of indebtedness.
23. The Promissory Note described in paragraph 8 is evidence of indebtedness as defined under the Act.

24. The shares in EKID described in paragraphs 9-10 are a security as defined under the Act.
25. Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act, or offered and sold in transactions exempt under Section 4 of the Act, shall be registered with the Secretary of State by filing the proper application prior to their offer or sale in or from the State of Illinois.
26. The activities detailed in paragraphs 8 and 9-14 constitutes an offer and a sale under Section 2.5a and Section 2.5 of the Act.
27. 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.
28. Section 12.D of the Act provides, inter alia, that it is a violation of the Act for any person to fail to file with the Secretary of State, Securities Department any required application, report, or document.
29. At all times relevant hereto, the securities referenced in paragraphs 8 and 9-14 were offered for sale and sold at a time when this security did not have the proper application on file at the Secretary of State.
30. Section 12.D of the Act provides, inter alia, that it is a violation of the Act for any person to fail to file with the Secretary of State, Securities Department any required application, report, or document.
31. Respondent violated Sections 12.A and 12.D of the Act by selling unregistered securities.

Count II
Fraud in the Offer of Securities
(Douglas Little Transaction)

- 1-21. Paragraphs 1 through 21 of Count I are realleged and incorporated by reference as paragraphs 1 through 21 of this Count II as if fully set forth herein.
22. Children's Technology Group Inc. maintained a bank account at Johnson Bank¹, Account 1300040359 (the "Account"). The sole signatory on the Account was Jon Darmstadter.
23. On February 10, 2000, the Account had a balance of \$359.00.

¹ On February 11, 2000 Private Bank and Trust Company acquired Johnson Bank.

24. On or about February 10, 2000, Darmstadter wrote three checks from the Account. These checks were: check number 1003, payable to Jon Darmstadter in the amount of \$5,000.00, check number 1004, payable to the Children's Technology Group in the amount of \$5,000.00 and check number 1005, payable to Jon Darmstadter in the amount of \$35,000.00.
25. On or about February 11, 2000, Darmstadter deposited the check provided by Little for the purchase of the Note into the Account, thus bringing the balance to \$50,356.00.²
26. On or about February 14, 2000, check number 103 was processed by The Private Bank and Trust Co (successor to Johnson Bank).
27. On or about February 16, 2000, check number 104 and 105 were processed by The Private Bank and Trust Co (successor to Johnson Bank).
28. Despite the fact that Darmstadter had acknowledged in writing (the "Written Acknowledgment") that "the proceeds [of the Promissory Note] were to be used for the purchase of a note from Mr. Tom Scallon", the transactions described in paragraphs 22-27 paid Darmstadter \$40,000.00 of the \$50,000.00 proceeds from the Promissory Note.
29. Darmstadter testified that the \$40,000.00 withdrawn from the account represented "reimbursement of past expenses he incurred in the formation of EKID."
30. Darmstadter also testified that the "deal" to purchase the Promissory Note from Mr. Tom Scallon never occurred.
31. Darmstadter's statements and the Written Acknowledgement were false and misleading in that he falsely claimed the proceeds were to be used for "the purchase of a note from Mr. Tom Scallon," when in fact, \$40,000.00 of the \$50,000.00 was used to satisfy outstanding checks written to Darmstadter prior to the transaction.
32. 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 or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
33. 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

² On February 11, 2000 the account was also charged a \$3.00 cancelled check fee.

- 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.
34. Section 12.H of the Act provides, inter alia, that it shall be a violation of the Act for any person to sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.
 35. Section 12.I of the Act provides, inter alia, that it shall be a violation of the Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
 36. By virtue of the foregoing, Respondent violated Section 12.F, 12.G, 12.H and 12.I of the act.

**Count III
Fraud in the Offer of Securities
(Investors Transactions)**

- 1-7. Paragraphs 1 through 7 of Count I are realleged and incorporated by reference as paragraphs 1 through 7 of this Count III as if fully set forth herein.
8. In or about January 2000, Little offered to Youkhana and other members of Youkhana's family (the "Investors") an opportunity to buy "pre-IPO" shares in EKIDnetwork.com, Inc. ("EKID"). Little said that he was negotiating a deal with the President of EKID to buy 100,000 shares at \$1.00 per share, of which he would personally buy 50,000 shares and sell the remaining 50,000 shares.
9. On or about February 10, 2000, Little sent Investors a memorandum (the "Memo") regarding Little's purchase of a convertible note for \$50,000.00 which would be converted to shares of the to be merged company EKID.
10. In the Memo, Little promised to issue a letter of direction to the company's transfer agent, AST, Inc., to issue the appropriate number of shares to each Investor. The timetable attached to the Memo indicated that the shares would be received around February 28, 2000.
11. The Memo also indicated that after the completion of the reverse merger the number of available free trade shares (street stock) of EKID would be approximately 50,000 shares. The timetable attached to the Memo indicated that the stock would go public around March 6-15, 2000.

12. In or about February 21, 2000, Little sent to Investors receipts for their Checks and assignments of their respective shares of Little's rights and interests in the Certificate.
13. Within two months of the purchase, Darmstadter learned that Little had offered and sold shares of EKID to Investors.
14. Darmstadter knew or should have known that the information that Little provided the Investors was false or misleading.
15. Darmstadter knew or should have known that Little had used the proceeds of that sale to purchase the Promissory Note.
16. Despite this knowledge, Darmstadter did not undertake any course of conduct to clarify that Little was acting on neither the behalf of Darmstadter nor EKID.
17. Furthermore, despite receiving the proceeds from the sale, Darmstadter did not inform the Investors that the EKID shares would not be available to the Investors.
18. 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 or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
19. 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.
20. Section 12.H of the Act provides, inter alia, that it shall be a violation of the Act for any person to sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.
21. Section 12.I of the Act provides, inter alia, that it shall be a violation of the Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
22. By virtue of the foregoing, in each of the sales to the Investors, Respondent Darmstadter violated Section 12.F, 12.G, 12.H and 12.I of the Act.

Count IV
False Sarbanes-Oxley Certification 8/19/03

- 1-6. Paragraphs 1 through 6 of Count I are realleged and incorporated by reference as paragraphs 1 through 6 of this Count IV as if fully set forth herein.
7. On or around June 3, 2003, the Illinois Securities Department (the "Department") issued a Temporary Order of Prohibition alleging Jon Darmstadter and others violated the Illinois Securities Act by engaging in the fraudulent sale of unregistered securities of EKID.³
8. On or around June 18, 2003, the United States Securities and Exchange Commission (the "SEC") filed a complaint in the United States District Court, Northern District of Illinois, Eastern Division (03 C 4166 Securities Exchange Commission vs. Jon A. Darmstadter (the "SEC Action")).⁴
9. The SEC Action alleged violations under several federal securities laws including the anti-fraud provisions of the Securities Exchange Act of 1934.
10. Among other relief, the SEC Action requested injunctive relief that sought to bar Darmstadter from acting as an officer or director of any publicly held company.
11. On or about August 19, 2003, Zkid filed a form 10-QSB which included quarterly financial statements for Zkid for the period ending June 30, 2003.
12. Darmstadter knew or should have known the financial statements filed were misleading in that the financial statements omitted to disclose the Department's Temporary Order of Prohibition, the SEC Action, and the potential that Zkid's current CEO and CFO could be barred from holding those positions.
13. Despite this, Darmstadter signed a Sarbanes-Oxley Certification that stated:
 - I, Jon Darmstadter, certify that:
 - (1) I have reviewed this quarterly report on Form 10-QSB of Zkid Network Company, ("Registrant").
 - (2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

³ A copy is attached as Exhibit A.

⁴ A copy is attached as Exhibit B.

(Omitted material)⁵

By: /s/ Jon Darmstadter

Jon Darmstadter
Chief Executive Officer

14. Darmstadter knew or should have known that the Sarbanes-Oxley Certification would be widely circulated and available for public viewing on the Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR") maintained by the SEC.
15. Section 12.H of the Act provides, inter alia, that it shall be a violation of the Act for any person to sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.
16. By virtue of the foregoing, Respondent violated Section 12.H.

Count V
Violation of Temporary Order of Prohibition

- 1-6. Paragraphs 1 through 6 of Count I are realleged and incorporated by reference as paragraphs 1 through 6 of this Count V as if fully set forth herein.
7. On or around June 3, 2003, the Illinois Securities Department issued a Temporary Order of Prohibition alleging Jon Darmstadter and others violated the Illinois Securities Act by engaging in the fraudulent sale of unregistered securities of EKID.
8. The terms of that order specified: "NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents are prohibited from offering or selling securities in or from this State until further Order of the Secretary of State."
9. At all times relevant to this count, Darmstadter was a resident of the State of Illinois.
10. On September 5, 2003, Darmstadter engaged in a transaction in which he sold 878,900 shares of Zkid stock.

⁵ A copy of the complete certification is attached as Exhibit C.

11. On September 8, 2003, Darmstadter engaged in a transaction in which he sold 20,000 shares of Zkid stock.
12. On December 19, 2003, Darmstadter engaged in a transaction in which he sold 50,000 shares of Zkid stock.
13. On December 23, 2003, Darmstadter engaged in a transaction in which he sold 15,000 shares of Zkid stock.
14. On January 2, 2004, Darmstadter engaged in a transaction in which he sold 20,000 shares of Zkid stock.
15. On January 9, 2004, Darmstadter engaged in a transaction in which he sold 25,000 shares of Zkid stock.
16. On January 9, 2004, Darmstadter engaged in a transaction in which he sold 60,000 shares of Zkid stock.
17. On January 12, 2004, Darmstadter engaged in a transaction in which he sold 20,000 shares of Zkid stock.
18. On January 20, 2004, Darmstadter engaged in a transaction in which he sold 80,000 shares of Zkid stock.
19. On January 28, 2004, Darmstadter engaged in a transaction in which he sold 100,000 shares of Zkid stock.
20. On January 29, 2004, Darmstadter engaged in three transactions in which he sold 150,000 shares of Zkid stock.
21. On January 30, 2004, Darmstadter engaged in a transaction in which he sold 50,000 shares of Zkid stock.
22. On February 10, 2004, Darmstadter engaged in three transactions in which he sold 80,000 shares of Zkid stock.
23. On February 11, 2004, Darmstadter engaged in a transaction in which he sold 20,000 shares of Zkid stock.
24. The proceeds from sales described in paragraphs described in paragraphs 10-23 were in excess of \$187,000.00 (One hundred eighty seven thousand dollars).
25. Section 12. D of the Act provides, inter alia, that it is a violation of the Act for any person to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.

26. By virtue of the foregoing, in each of the sales described in paragraphs 10-23 of this count, Respondent Darmstadter violated Section 12.D of the act.

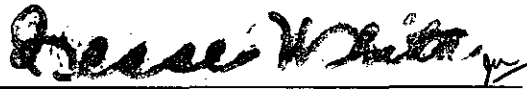
You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, a Special Appearance pursuant to Section 1107 of the Rules, or other responsive pleading within thirty (30) days of the receipt of this notice. Your failure to do this 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 by you.

A copy of the Rules, promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

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

Dated: This 26th day of February, 2004.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Lauren E. McAfee
James Nix
Illinois Securities Department
69 West Washington Street
Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-3384

Hearing Officer:

Soula J. Spyropoulos
6348 N. Cicero Ave
Chicago, Illinois 60646
Telephone: (773) 282-3400

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: LITTLE, BELL & CO.,
its officers, agents, affiliates, employees, successors
and assigns; and DOUGLAS LITTLE; and JON
DARMSTADTER

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) FILE NO. C0100052
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TEMPORARY ORDER OF PROHIBITION

TO RESPONDENT: Jon A. Darmstadter
 40 Roger Williams Road
 Highland Park, IL 60035

 Little Bell and Company LLC
 2205 13th street
 Winthrop Harbor, IL 60096

 Doug Little
 2205 13th Street
 Winthrop Harbor, IL 60096

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State (the "Department"), herein find:

1. Little Bell and Company LLC ("Little Bell" or collectively with Darmstadter and Little, "Respondents") is a business entity with a last known address of 2205 13th Street, Winthrop Harbor, IL 60096.
2. Doug Little ("Little" or collectively with Little Bell and Darmstadter, "Respondents") is an individual with a last known address of 2205 13th Street, Winthrop Harbor, IL 60096. Little is a partner with Little Bell.

NOH Exhibit A

3. Jon Darmstadter ("Darmstadter" or collectively with Little Bell and Little, "Respondents") is an individual with a last known address of 40 Roger Williams Road, Highland Park, IL 60035. Darmstadter is the President of a company named EKIDnetwork.com., Inc.
4. Shilimoon Youkhana ("Youkhana") is an Illinois resident.
5. Darmstadter gave to Little a stock certificate for 100,000 shares in The Children's Beverage Group, Inc. He also gave to Little a signed receipt acknowledging, "received fifty thousand dollars (\$50,000) for the purchase of a note from Mr. Tom Scallon to be converted to one hundred fifty-six thousand (156,000) shares of the to be merged company EKIDnetwork.com, Inc." (The "Certificate").
6. In or about January 2000, Respondent Little offered to Youkhana and other members of Youkhana's family ("Investors") an opportunity to buy "pre-IPO" shares in EKIDnetwork.com, Inc. ("EKID"). Respondent Little said that he was negotiating a deal with the President of EKID to buy 100,000 shares at \$1.00 per share, of which he would personally buy 50,000 shares and sell the remaining 50,000 shares.
7. In or about February 2000, Investors purchased 15,000 shares of stock in EKID at \$1.00 per share. Investors purchased the shares with checks (the "Checks") made payable to Little Bell.
8. On or about February 10, 2000, Respondent Little sent Investors a memorandum (the "Memo") regarding Little's purchase of a convertible note for \$50,000 which would be converted to shares of the to be merged company EKID.
9. In the Memo, Respondent Little promised to issue a letter of direction to the company's transfer agent AST, Inc., to issue the appropriate number of shares to each Investor. The timetable attached to the Memo indicated that the shares would be received around February 28, 2000.
10. The Memo also indicated that after the completion of the reverse merger the number of available free trade shares (street stock) of EKID would be approximately 50,000 shares. The timetable attached to the Memo indicated that the stock would go public around March 6-15, 2000.
11. On or about February 21, 2000, Respondent Little sent to Investors receipts for their Checks and assignments of their respective shares of Little's rights and interests in the Certificate.

12. Despite acknowledging the receipt of \$50,000 from Little, Respondent Darmstadter, as president, failed to issue any shares of EKID to Investors.
13. Investors made several attempts to contact Respondents for their stock certificates or the return of their investment, but Respondents failed and refused to provide any stock certificates for their shares in EKID.
14. Section 2.1 of the Illinois Securities Law of 1953 [815 ILCS 5] (“the Act”) provides, inter alia, that a “security” means any stock, note or evidence of indebtedness.
15. The shares in EKID are a security as defined under the Act.
16. Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act, or offered and sold in transactions exempt under Section 4 of the Act, shall be registered with the Secretary of State by filing the proper application prior to their offer or sale in or from the State of Illinois.
17. The activities detailed in paragraphs six and seven (6-7) constitute an offer and a sale under Section 2.5a and Section 2.5 of the Act.
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 is a violation of the Act for any person to fail to file with the Secretary of State, Securities Department any required application, report, or document.
20. At all times relevant hereto the security referenced in paragraph six and seven (6-7) was offered for sale and sold at a time when this security did not have the proper application on file at the Secretary of State.
21. Section 12.D of the Act provides, inter alia, that it is a violation of the Act for any person to fail to file with the Secretary of State, Securities Department any required application, report, or document.
22. Respondents violated Sections 12.A and 12.D of the Act by selling unregistered securities.

23. Section 12. F of the Act provides, inter alia, that it is a violation of the Act for any person to engage in any transaction, practice, or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
24. By virtue of the foregoing, Respondents have violated Section 12.F
25. Section 11.F(2) of the Act provides, inter alia, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
26. The entry of this Temporary Order prohibiting Respondents, or its agents, affiliates, and employees, from offering or selling securities in or from the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents are prohibited from offering or selling securities in or from this State until further Order of the Secretary of State.

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to Tanya Solov, Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

ENTERED: This 3rd day of June, 2003.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Lauren McAfee
Illinois Securities Department
69 W. Washington Street
Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-3384

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
)
v.)
JON A. DARMSTADTER,)
)
Defendant.)

COMPLAINT

Plaintiff, United States Securities and Exchange Commission ("Plaintiff"), alleges the following:

NATURE OF THE COMPLAINT

1. This case concerns the offer and sale of unregistered securities by Defendant Jon A. Darmstadter ("Darmstadter") in violation of the registration provisions of the federal securities laws, and unauthorized trading by Darmstadter in the brokerage account of Kelly Rae Dallas ("Ms. Dallas") at Rosenthal Collins Securities, LLC ("Rosenthal Collins") in Chicago, Illinois.

2. Specifically, from approximately July 1998 to February 1999, Defendant Darmstadter used Ms. Dallas's brokerage account to transfer, sell, and offer for sale unregistered securities of Children's Beverage Group, all without Ms. Dallas's knowledge or consent.

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3. Darmstadter accomplished his scheme by forging letters of authorization, thereby falsely representing to Ms. Dallas's registered representative at Rosenthal Collins that Ms. Dallas had authorized the transactions in question.

4. During the relevant period, July 1998 to February 1999, there was no registration statement in effect for the Children's Beverage Group stock Darmstadter transferred, sold, and offered for sale, and the transactions were not otherwise exempt from registration under the federal securities laws.

5. Defendant Darmstadter, directly and indirectly, has engaged in and, unless enjoined, will continue to engage in transactions, acts, practices and courses of business that constitute and will constitute violations of Sections 5(a), 5(c) [15 U.S.C. § 77e(a), (c)] and 17(a) [15 U.S.C. §77(q)(a)] of the Securities Act of 1933 ("Securities Act"); and Section 10(b) [15 U.S.C. §78j(b)] of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 [17 C.F.R. §240.10b-5] promulgated thereunder.

6. The Commission brings this action to enjoin such transactions, acts, practices and courses of business pursuant to Section 20(b) of the Securities Act [15 U.S.C. §77t(b)] and Section 21(d) and 21(e) of the Exchange Act [15 U.S.C. §§78u(d) and 78u(e)].

JURISDICTION AND VENUE

7. This Court has jurisdiction over this matter pursuant to Section 22(a) of the Securities Act [15 U.S.C. §77v(a)], Section 27 of the Exchange Act [15 U.S.C. §78aa], and 28 U.S.C. §1331.

8. Venue is proper in this Court pursuant to Section 22(a) of the Securities Act [15 U.S.C. §77v(a)] and Section 27 of the Exchange Act [15 U.S.C. §78aa].

9. Certain of the transactions, offers and sales, acts, practices and courses of business constituting the violations alleged herein occurred in the Northern District of Illinois and elsewhere.

10. The Defendant can be found in, transacts business in, and/or is an inhabitant of the Northern District of Illinois.

11. The Defendant, directly and indirectly, made use of the mails and of the means and instrumentalities of interstate commerce in connection with the transactions, acts, practices and courses of business alleged herein within the Northern District of Illinois and elsewhere.

12. There is a reasonable likelihood that the Defendant will, unless enjoined, continue to engage in the transactions, acts, practices and courses of business set forth in this Complaint, and transactions, acts, practices and courses of business similar in purport and object.

THE DEFENDANT

13. Darmstadter is 50 years old and resides in Highland Park, Illinois, which is located in the Northern District of Illinois. During the period relevant to this Complaint, Defendant Darmstadter was the President and Chief Executive Officer of Children's Beverage Group.

RELATED PERSON AND ENTITY

14. The Children's Beverage Group was, during the period relevant to this Complaint, a Delaware corporation with its principal place of business in Northbrook, Illinois. On October 17, 2000, the company's certificate of authorization to do business in the State of Illinois was revoked for failure to file financial reports with the state. On

March 1, 2001, the Delaware Secretary of State revoked the company's business charter for non-payment of franchise taxes.

15. Ms. Dallas is 45 years old and was employed by Children's Beverage Group from January 1998 to January 2000 as Director of Marketing and Public Relations. She is no longer affiliated with the company and currently resides in Phoenix, Arizona.

THE FRAUDULENT SCHEME

16. Ms. Dallas began working as the Director of Marketing and Public Relations at Children's Beverage Group in January 1998. Darmstadter hired Ms. Dallas.

17. Dallas was told that she would receive shares of Children's Beverage Group stock as a hiring bonus.

18. On or about July 6, 1998, Ms. Dallas opened a brokerage account at Rosenthal Collins in Chicago, Illinois.

19. Dallas believed that her brokerage account would be funded with the Children's Beverage Group stock she was to receive as a hiring bonus, which she believed to consist of approximately 30,000 shares.

20. Unbeknownst to Ms. Dallas, however, in July 1998, Defendant Darmstadter transferred 100,000 shares of Children's Beverage Group stock into Ms. Dallas's account from a brokerage account he controlled in Canada.

21. Thereafter, Defendant Darmstadter used Ms. Dallas's account to transfer, sell, and offer for sale the Children's Beverage Group stock to his business associates and others.

22. For example, on July 10, 1998, Defendant Darmstadter caused 20,000 shares of Children's Beverage Group stock to be delivered from Ms. Dallas's brokerage

account to the brokerage account of an individual from whom Darmstadter solicited advertising for Children's Beverage Group products.

23. Similarly, on July 20, 1998, Defendant Darmstadter caused 5,000 shares of Children's Beverage stock to be transferred from Ms. Dallas's brokerage account to the account of a racecar driver for whom Children's Beverage Group provided auto-racing sponsorship.

24. Between July 1998 and February 1999, Defendant Darmstadter executed at least twelve such unauthorized transactions in Ms. Dallas's account, which transactions involved more than 60,000 shares of Children's Beverage Group stock.

25. Between July 1998 and February 1999, there was no registration statement filed or in effect for the Children's Beverage Group stock Darmstadter transferred, sold and offered for sale, and the transactions were not otherwise exempt from registration under the federal securities laws.

26. Defendant Darmstadter accomplished his scheme by forging Ms. Dallas's name on letters of authorization, thereby falsely representing to Ms. Dallas's registered representative that Ms. Dallas had authorized the transactions described above. Ms. Dallas did not authorize Defendant Darmstadter to sign her name to the letters of authorization, however, and did not authorize Defendant Darmstadter or any other person or entity to execute any transactions in her account at Rosenthal Collins.

27. Darmstadter intended the false representations contained in the letters of authorization, including Ms. Dallas's false signatures, to mislead Ms. Dallas's registered representative. As a result, in order to further his fraudulent scheme, Darmstadter fraudulently misrepresented that Ms. Dallas had authorized the subject transactions.

28. Defendant Darmstadter profited from his scheme. Specifically, during the period of July 1998 to February 1999, Darmstadter received at least \$49,057 from the illegal sales of Children's Beverage stock in Ms. Dallas's account described above.

COUNT I

VIOLATION OF SECTION 5(a) OF THE SECURITIES ACT

29. Plaintiff realleges and incorporates herein by reference paragraphs 1 through 28 of this Complaint.

30. From at least July 1998 to February 1999, Defendant Darmstadter, directly and indirectly, made use of the means and instruments of transportation and communication in interstate commerce and the mails, to sell securities without a registration statement being in effect as to those securities.

31. By reason of the activities described in paragraphs 1 through 30 above, Defendant Darmstadter violated Section 5(a) of the Securities Act [15 U.S.C. § 77e(a)].

COUNT II

VIOLATION OF SECTION 5(c) OF THE SECURITIES ACT

32. Plaintiff realleges and incorporates herein by reference paragraphs 1 through 31 of this Complaint.

33. From at least July 1998 to February 1999, Defendant Darmstadter, directly and indirectly, made use of the means and instruments of transportation and communication in interstate commerce or of the mails, to offer to sell securities without a registration statement being filed as to those securities.

34. By reason of the activities described in paragraphs 1 through 33 above, Defendant Darmstadter violated Section 5(c) of the Securities Act [15 U.S.C. § 77e(c)].

COUNT III

VIOLATION OF SECTION 17(a)(1) OF THE SECURITIES ACT

35. Plaintiff realleges and incorporates herein by reference paragraphs 1 through 34 of this Complaint.

36. From at least July 1998 to February 1999, Defendant Darmstadter, in the offer and sale of securities, by the use of the means and instrumentalities of transportation and communication in interstate commerce and by the use of the mails, directly and indirectly, employed devices, schemes and artifices to defraud, as more fully set forth in paragraphs 16 through 28, above.

37. Defendant Darmstadter knew or was reckless in not knowing of the activities described in paragraphs 16 through 28, above.

38. By reason of the activities described in paragraphs 1 through 37, above, Defendant Darmstadter violated Section 17(a)(1) of the Securities Act [15 U.S.C. §77q(a)(1)].

COUNT IV

VIOLATION OF SECTIONS 17(a)(2) AND 17(a)(3) OF THE SECURITIES ACT

39. Plaintiff realleges and incorporates herein by reference paragraphs 1 through 38 of this Complaint.

40. From at least July 1998 to February 1999, Defendant Darmstadter, in the offer and sale of securities, by the use of the means and instruments of transportation and communication in interstate commerce and by the use of the mails, directly and indirectly, obtained money and property by means of untrue statements of material facts and omissions to state material facts necessary in order to make the statements made, in

light of the circumstances under which they were made, not misleading; and engaged in transactions, practices and courses of business which operated as a fraud and deceit upon investors and prospective investors, as more fully described in Paragraphs 16 through 28, above.

41. By reason of the activities described in paragraphs 1 through 40 above, Defendant Darmstadter violated Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §77q(a)(2) and (3)].

COUNT V

VIOLATION OF SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5 PROMULGATED THEREUNDER

42. Plaintiff realleges and incorporates herein by reference paragraphs 1 through 41 of this Complaint.

43. From at least July 1998 to February 1999, Defendant Darmstadter, in connection with the purchase and sale of securities, namely the securities of Children's Beverage Group, and by the use of the means and instrumentalities of interstate commerce and by the use of the mails, directly and indirectly employed devices, schemes and artifices to defraud; made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and engaged in acts, practices and courses of business which operated and would operate as a fraud and deceit, as more fully set forth in paragraphs 16 through 28, above.

44. Defendant Darmstadter knew or was reckless in not knowing of the activities described in paragraphs 16 through 28, above.

45. By reason of the activities described in paragraphs 1 through 44 above, Defendant Darmstadter violated Section 10(b) of the Exchange Act [15 U.S.C. §§78j(b)] and Rule 10b-5 [17 C.F.R. §240.10b-5] promulgated thereunder.

RELIEF REQUESTED

WHEREFORE, Plaintiff respectfully requests that this Court:

A. Find that Defendant Jon A. Darmstadter committed the violations alleged in this Complaint;

B. Enter a *Final Judgment and Order of Permanent Injunction and Other Relief* (“Final Judgment”), in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently enjoining Defendant Darmstadter, his agents, servants, employees, and attorneys, and those persons in active concert or participation with him who receive actual notice of the Final Judgment by personal service or otherwise, and each of them, from directly or indirectly violating, as principals or aiders and abettors, by the use of the mails, Sections 5(a), 5(c) [15 U.S.C. § 77e(a), (c)] and 17(a) [15 U.S.C. §77(q)(a)] of the Securities Act; and Section 10(b) [15 U.S.C. §78j(b)] of the Exchange Act and Rule 10b-5 [17 C.F.R. §240.10b-5] promulgated thereunder;

C. Issue an order requiring Defendant Darmstadter to disgorge all ill-gotten gains plus prejudgment interest;

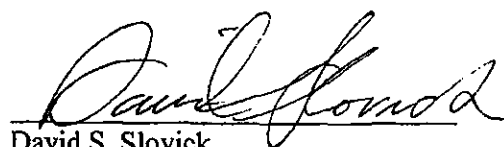
D. Issue an order requiring Defendant Darmstadter to pay to the Commission a civil penalty pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)];

E. Issue an order permanently barring Defendant Darmstadter from serving as an officer or director of any publicly held company, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. §78u(d)(2)];

F. Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court; and

G. Grant such additional relief as this Court deems appropriate.

Respectfully submitted,



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Dated: June 18, 2003

DOCUMENT>
TYPE>EX-31.1
<SEQUENCE>3
<FILENAME>zkid10q63003ex311.txt
<DESCRIPTION>SECTION 302-CERTIFICATION OF CHIEF EXECUTIVE OFFICER
<TEXT>

Exhibit 31.1

Chief Executive Officer Certification (Section 302)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jon Darmstadter, certify that:

(1) I have reviewed this quarterly report on Form 10-QSB of Zkid Network Company, ("Registrant").

(2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

(3) Based on my knowledge, the financial statements and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

(4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

(5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

(6) The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses;

Date: August 12, 2003

NOH Exhibit C