

MISSISSIPPI SECRETARY OF STATE  
BUSINESS REGULATION AND ENFORCEMENT DIVISION



IN THE MATTER OF:

ADMINISTRATIVE PROCEEDING  
NUMBER: 02-025

HOLLYWOOD ON AIR, INC.,  
JOHN VELASCO-MILLS, and  
RONALD J. FIELDS

**COPY**

RESPONDENTS

**FINAL CEASE AND DESIST ORDER**

**I. JURISDICTION**

COMES NOW, James O. Nelson, II, Assistant Secretary of State, on behalf of Eric Clark, Secretary of State for the State of Mississippi (the "Secretary"), after having served a Summary and Cease and Desist Order on Respondents and said Respondents having wholly failed to respond within the time allowed by applicable rules hereby issues this final order regarding Respondents' violations of the Mississippi Securities Act, Miss. Code Ann. §75-71-101, et seq. (Rev. 2001).

**II. FINDINGS OF FACT**

1. Respondent HOLLYWOOD ON AIR, INC. is a business corporation organized under the laws of the State of Florida whose business addresses are 2212 East 4<sup>th</sup> Avenue, Tampa, Florida 33605; 521 5<sup>th</sup> Avenue, Suite 1700, New York, New York 10175-0038 and 469 North Camden Drive, Suite 200, Beverly Hills, California 90210.
2. Respondent JOHN VELASCO-MILLS is an adult natural person whose last known address is 2212 East 4<sup>th</sup> Avenue, Tampa, Florida 33605, and who at all times relevant herein directly or indirectly controlled HOLLYWOOD ON AIR, INC., and who was at all times relevant herein President and Director of HOLLYWOOD ON AIR, INC.

3. Respondent RONALD J. FIELDS is an adult natural person whose last known address is 2212 East 4<sup>th</sup> Avenue, Tampa, Florida 33605, and who at all times relevant herein directly or indirectly controlled HOLLYWOOD ON AIR, INC., and who was at all times relevant herein Vice-President and Director of HOLLYWOOD ON AIR, INC.
4. Respondents sold the investments to Mississippi residents purportedly for the purpose of enabling investors to earn profits by entering into promissory notes for HOLLYWOOD ON AIR, INC.
5. To effect the sale of these promissory notes, HOLLYWOOD ON AIR, INC. employed agents, those being FRANK CAMP and RICKY PETERS.
6. A check of the records required to be maintained by the Division reveals that FRANK CAMP and RICKY PETERS are not registered to sell securities in the State of Mississippi.
7. A check of the records required to be maintained by the Division reveals no registration for promissory notes offered, sold or issued by HOLLYWOOD ON AIR, INC. in the State of Mississippi.
8. Respondents misrepresented material facts or 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 in connection with the sale of the interests to Mississippi investors, including, but not limited to:
  - A. Respondents failed to disclose to investors the fact that the investment interests were securities which were neither registered nor exempt from registration under the laws of the State of Mississippi.
  - B. Respondents failed to disclose to investors that HOLLYWOOD ON AIR, INC. employed unregistered agents to sell securities on its behalf in the State of Mississippi.

9. A Summary Cease and Desist Order was entered against the Respondents on April 11, 2001. Respondents were served with a certified copy of the Summary Order as evidenced by the certified mail receipts attached hereto as collective Exhibit A.
10. Respondents failed to request a hearing or otherwise respond to the Summary Order within the thirty (30) days time frame prescribed in Securities Act Rule 803 (A). Therefore, entry of a Final Order is appropriate.

### III. APPLICABLE LAW

1. With respect to the offer and sale of securities, §75-71-401 of the Act states:

...it is unlawful for any person to offer or sell any security in the State of Mississippi unless (1) it is registered under this chapter or (2) the security or transaction is exempted under Article 3 of this chapter....
2. With respect to issuing securities through agents, §75-71-301 of the Act states:

...it is unlawful for any ... issuer to employ an agent unless the agent is registered... [and] it is unlawful for any person to transact business in this state as a[n] agent unless he is registered under this chapter.
3. §75-71-105( i ) of the Act states:

“Person” means an individual,...corporation [or] partnership....
4. §75-71-105(1) of the Act states:

“Security” means any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement....
5. §75-71-119 of the Act states:
  - (a) ...Section ...75-71-401...appl[ies] to persons who sell or offer to sell when (1) an offer to sell is made in this state....
  - (b) an offer to sell is made in this state, whether or not either party is then present in this state, when the offer (1) originates from this state or (2) is directed by the offeror to this state...

#### IV. CONCLUSIONS OF LAW

1. The promissory note investments offered and sold by Respondents, HOLLYWOOD ON AIR, INC., JOHN VELASCO-MILLS and RONALD J. FIELDS, are securities as that term is defined in §75-71-105(n) of the Act.
2. These securities are not eligible for exemption from registration under the Act.
3. These securities were offered and sold to residents of the State of Mississippi as defined in §75-71-119 of the Act.
4. These securities were not duly registered in violation of §75-71-401 of the Act.
5. Respondents hired agents for the purpose of selling the securities of an issuer, namely FRANK CAMP and RICKY PETERS who were not registered to do so in the State of Mississippi, thereby violating §75-71-301 of the Act.

#### V. PUBLIC INTEREST

This Final Cease and Desist Order is issued in the public interest and for the protection of investors consistent with the purposes of this Act.

#### VI. ORDER

**IT IS THEREFORE ORDERED**, pursuant to the authority set out in §75-71-715(1) of the Act, that Respondents, HOLLYWOOD ON AIR, INC., JOHN VELASCO-MILLS, and RONALD J. FIELDS, shall permanently **CEASE AND DESIST** FROM ACTIVITY IN, OR ORIGINATING FROM, THE STATE OF MISSISSIPPI in connection with the offer and/or sale of securities to any person without the securities being duly registered or exempted from registration under the Act.

**BE ADVISED THAT**, pursuant to §75-71-735 of the Act, a willful violation of this Final Cease and Desist Order may be punishable upon conviction by a fine of not more than twenty-five thousand dollars (\$25,000) or five (5) years imprisonment, or both in addition to civil and administrative remedies available to the Division.

ENTERED, this the 14<sup>th</sup> day of FEBRUARY, 2002.

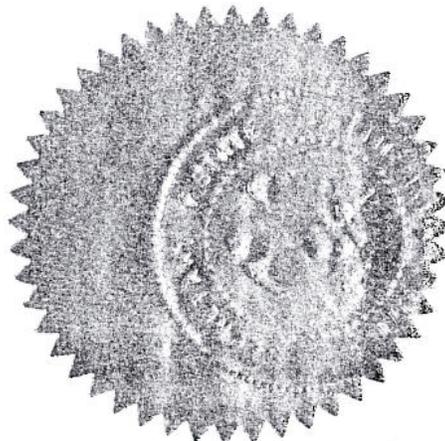
**ERIC CLARK**  
Secretary of State

BY:   
James O. Nelson, II  
Assistant Secretary of State

PREPARED BY:  
Tanya G. Webber  
Senior Attorney  
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Jackson, MS 39201

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(601) 359-6364



STATE OF MISSISSIPPI	
I hereby certify that this is a true and complete copy of	
the	<u>5</u> page document on file in this office
DATED	<u>February 11</u> , 20 <u>02</u>
BY	<u>Eric Clark</u>
This Certification Stamp Replaces Our Previous Certification System	

**CERTIFICATE OF SERVICE**

I, Tanya G. Webber, do hereby certify that I have, this day, mailed via United States Certified Mail, return receipt requested, postage pre-paid, a true and correct copy of the above and foregoing Final Cease and Desist Order to the following:

Hollywood On Air, Inc.  
2212 East 4<sup>th</sup> Avenue  
Tampa, Florida 33605

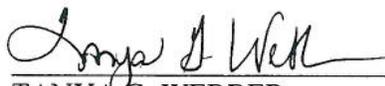
Hollywood On Air, Inc.  
521 5<sup>th</sup> Avenue, Suite 1700  
New York, New York 10175-0038

Hollywood On Air, Inc.  
469 N. Camden Drive, Suite 200  
Beverly Hills, California 90210

John Velasco-Mills, President  
Hollywood On Air, Inc.  
2212 East 4<sup>th</sup> Avenue  
Tampa, Florida 33605

Ronald J. Fields, Vice-President  
Hollywood On Air, Inc.  
2212 East 4<sup>th</sup> Avenue  
Tampa, Florida 33605

This the 11<sup>th</sup> day of February, 2002.



TANYA G. WEBBER  
Senior Attorney