

BEFORE THE  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF SECURITIES  
STATE OF WISCONSIN

---

In the Matter of  
TEL COM PLUS, INC., PRIME EQUITIES GROUP, INC.,  
MARKETING CONCEPTS INTERNATIONAL,  
UNITED STATES TELECOMMUNICATIONS, INC.,  
TEL COM PLUS EAST, LLC/TEL COM PLUS WEST, LLC,  
MILLENNIUM ASSOCIATES, INC., CAPITAL FUNDS  
ADMINISTRATION, INC., VENTURE FUNDING RESOURCES,  
UNITED TELECOMMUNICATIONS SERVICES,  
RICHARD J. POLLARA, JOSEPH P. CILLO, CHARLES  
POLLEY, RONALD MCCINTRE, JIM BRODY, AL LITTLE,  
MICHAEL ANDREWS, STEVEN SANDERS, JIM GRANT,  
SARAH DOYLE, and JEROME COHEN,

PETITION FOR ORDER

Respondents.

File No. S-98079(EX)

---

The staff of the Enforcement Unit of the Registration & Enforcement Section of the Division of Securities alleges that:

1. Tel Com Plus, Inc. ("Tel Com") is a foreign business entity with a last known business address of 13902 N. Dale Mabry, Ste. 212, Tampa, FL 33618.
2. Prime Equities Group, Inc., ("PEGI") is a foreign business entity with a last known business address of 13902 N. Dale Mabry, Ste. 212, Tampa, FL 33618.
3. Marketing Concepts International ("MCI") is a foreign business entity with a last known business address of 428 Hill St., Ste. 102, Reno, NV 89501.
4. United States Telecommunications, Inc. ("USTI") is a foreign business entity with a last known business address at that of Tel Com.
5. Tel Com Plus East, LLC/Tel Com Plus West, LLC ("LLC") is a foreign business entity with a last known business address of 13902 N. Dale Mabry, Ste. 212, Tampa, FL 33618.
6. Millennium Associates, Inc. ("Millennium") is a foreign business entity with a last known business address of 7100 W. Camino Real, Ste. 401, Boca Raton, FL 33433.
7. Capital Funds Administration, Inc. ("CFA") is a foreign business entity with a last known business address of 3837 Northdale Blvd., Ste. 204, Tampa, FL 33624.
8. Venture Funding Resources ("Venture") is a foreign business entity with a last known business address of 4060 St. Catherine St. W, Montreal, Quebec, Canada H3 Z1 P2.
9. United Telecommunications Services ("UTS") is a foreign business entity with a last known business address of 512 Via de La Valle, Ste. 205, Solana Beach, CA 92075.
10. Richard J. Pollara ("Pollara") is an individual who at all times material hereto has been President of USTI, with a last known business address of 8625 W Sahara Ave., Las Vegas, NV 89117.
11. Joseph P. Cillo (CRD #8982477) ("Cillo") is an individual who at all times material hereto has been an officer of USTI and of PEGI, with a last known business address at that of Tel Com.

12. Charles Polley ("Polley") is an individual who at all times material hereto has been Chairman of Tel Com, with a last known business address of 8625 W Sahara Ave., Las Vegas, NV 89117.
13. Ronald McCintre ("McCintre") is an individual who at all times material hereto has been an owner and controlling person of Venture, with a last known business address at that of Venture.
14. Jim Brody ("Brody") is an individual who at all times material hereto has been an owner and controlling person of Venture, with a last known business address at that of Venture.
15. Al Little ("Little") is an individual who at all times material hereto has been President of UTS, with a last known business address at that of UTS.
16. Michael Andrews ("Andrews") is an individual who at all times material hereto has been an agent of Tel Com, USTI, LLC, CFA, MCI, Pollara, Cillo, Polley, Venture, McCintre, and Brody, with a last known business address at that of Venture.
17. Steven Sanders (DOB 11/7/71) ("Sanders") is an individual who at all times material hereto has been an agent of Tel Com, USTI, LLC, CFA, MCI, Pollara, Cillo, Polley, Venture, McCintre, and Brody, with a last known business address at that of Venture.
18. Jim Grant ("Grant") is an individual who at all times material hereto has been an agent of Tel Com, USTI, LLC, CFA, MCI, Pollara, Cillo, Polley, Venture, McCintre, and Brody, with a last known business address at that of Venture.
19. Sarah Doyle ("Doyle") is an individual who at all times material hereto has been an agent of Tel Com, USTI, LLC, CFA, PEI, Pollara, Cillo, Polley, UTS, and Little, with a last known business address at that of UTS.
20. Jerome Cohen ("Cohen") is an individual who at all times material hereto has been an agent of Tel Com, USTI, LLC, CFA, Pollara, Cillo, Polley, and Millennium, with a last known business address at that of Millennium.
21. During the period of April 1998, Andrews, on behalf of Tel Com, USTI, LLC, CFA, MCI, Pollara, Cillo, Polley, Venture, McCintre, and Brody, offered to at least one person in Wisconsin "units of ownership" in LLC.
22. During the period of April 1998, Grant, on behalf of Tel Com, USTI, LLC, CFA, MCI, Pollara, Cillo, Polley, Venture, McCintre, and Brody, offered to at least one person in Wisconsin "units of ownership" in LLC.
23. During the period of May 1998, Sanders, on behalf of Tel Com, USTI, LLC, CFA, MCI, Pollara, Cillo, Polley, Venture, McCintre, and Brody, offered to at least one person in Wisconsin "units of ownership" in LLC.
24. During the period of May 1998, Doyle, on behalf of Tel Com, USTI, LLC, CFA, PEI, Pollara, Cillo, Polley, UTS, and Little, offered to at least one person in Wisconsin "units of ownership" in LLC.
25. During the period of June 1998, Cohen, on behalf of Tel Com, USTI, LLC, CFA, Pollara, Cillo, Polley, and Millennium, offered to at least one person in Wisconsin "units of ownership" in LLC.
26. Pursuant to the offering materials received by persons in Wisconsin, LLC will engage in the business of prepaid telephone service.

27. Upon information and belief, since LLC will be operated by at least one manager, investors can play a passive role in the company with no duties and responsibilities.
28. Upon information and belief, each investor will not be involved in the day-to-day management of LLC, since there is a manager, there are too many investors for them to each have any meaningful input, and they do not have the expertise or experience necessary to perform its duties.
29. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the "memberships" offered by the respondents are investment contracts as defined by DFI-Sec 1.02(b), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.
30. The LLC investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
31. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.
32. In connection with the offers of the securities described above, Venture and UTS transacted business in Wisconsin as a "broker-dealer," as that term is defined by sec. 551.02(3), Wis. Stats.
33. At no time have Venture, Millennium, and UTS been licensed as securities broker-dealers pursuant to Ch. 551, Wis. Stats.,
34. Respondents Venture, Millennium, and UTS have violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a broker-dealer without a license.
35. In connection with the offers of the securities described above, Andrews, Grant, and Sanders, transacted business in Wisconsin as "agents" for Tel Com, USTI, LLC, CFA, MCI, Pollara, Cillo, Polley, Venture, McCintre, and Brody, as that term is defined by sec. 551.02(2), Wis. Stats.
36. In connection with the offers of the securities described above, Doyle transacted business in Wisconsin as an "agent" for Tel Com, USTI, LLC, CFA, PEI, Pollara, Cillo, Polley, UTS, and Little, as that term is defined by sec. 551.02(2), Wis. Stats.
37. In connection with the offers of the securities described above, Cohen transacted business in Wisconsin as an "agent" for Tel Com, USTI, LLC, CFA, Millennium, Pollara, Cillo, and Polley, as that term is defined by sec. 551.02(2), Wis. Stats.
38. At no time have Andrews, Grant, Sanders, Doyle and Cohen been licensed as securities agents pursuant to Ch. 551, Wis. Stats.
39. Andrews, Grant, Sanders, Doyle and Cohen have violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as securities agents without a license.
40. Tel Com, USTI, LLC, CFA, PEI, MCI, Millennium, Venture, UTS, Pollara, Cillo, Polley, McCintre, Brody and Little have violated sec. 551.31(2), Wis. Stats., by employing unlicensed agents to represent them in Wisconsin.
41. On June 14, 1991, Cillo consented to the entry of a Final Judgment of Permanent Injunction, based on allegations of securities law violations, including fraud, in the U.S. District Court for the Central District of California, in the matter of SEC vs. David D. Sterns, et al. (Civil Action No. 91-1303 ER, TX)

42. On January 14, 1994, an Order of Permanent Injunction was entered against Cillo, based on allegations of securities law violations, in the U.S. District Court for the District of Utah, in the matter of SEC vs. Unifirst Corporation, et al. (Civil Action No. 93-C-867J)
43. On June 13, 1995, the United States Securities and Exchange Commission issued an Order barring Cillo from participating in an offering of penny stock, based on allegations of securities laws violations.
44. On January 29, 1998, the State of North Dakota issued a Cease and Desist Order against Tel Com, PEI, and Pollara, based on allegations of securities law violations.
45. On March 6, 1998, the State of South Dakota issued a Cease and Desist Order against Tel Com and MCI, based on allegations of securities law violations.
46. In connection with the offer of the securities described in Paragraphs 21 through 25, the Respondents omitted to disclose the issuance of the actions referred to in Paragraphs 41 through 43.
47. All Respondents have violated sec. 551.41(2), Wis. Stats., by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to persons in Wisconsin.
48. Pursuant to the offering materials received by persons in Wisconsin, Tel Com's "1998 proposed national build-out" was to include the State of Wisconsin by September 1, 1998, since in February 1998 "50 Public Utility Licenses have been filed."
49. To date, Respondents have not filed with the Wisconsin Public Service Commission to act as a telephone company in Wisconsin.
50. All Respondents have violated sec. 551.41(2), Wis. Stats., by making an untrue statement of material fact in the offer and sale of securities to persons in Wisconsin.
51. On June 23, 1998, the State of Pennsylvania issued a Cease and Desist Order against Tel Com, LLC, and PEGI, based on allegations of securities law violations.
52. On September 11, 1998, the State of Illinois issued an Order of Prohibition against Tel Com, LLC, their officers, directors, employees, agents, successors and affiliates, based on allegations of securities law violations.

Therefore, the staff of the Enforcement Unit petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

Mark E. Dorman 12-14-98  
 Mark E. Dorman Date  
 Examiner  
 Enforcement Unit

David A. Cohen 12/14/98  
 David A. Cohen Date  
 Supervising Attorney  
 Enforcement Unit