

**ADMINISTRATIVE PROCEEDING  
BEFORE THE  
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF:

DR. EBILL.COM, INC.,

and

JERALD J. ROBERTS,

Respondents

FILE NO. 2004-0385

\* \* \* \* \*

**FINAL ORDER TO CEASE AND DESIST  
AND ORDER OF BAR**

WHEREAS, the Division of Securities of the Office of the Maryland Attorney General (the "Division"), pursuant to the authority granted by the Maryland Securities Act, Corporations and Associations Article, section 11-701, Annotated Code of Maryland (1999 Repl. Vol. & 2005 Cum. Supp.) (the "Act"), instituted an investigation of apparent violations of the Act by Dr. eBill.com, Inc. ("DRE") and its president, Jerald J. Roberts ("Roberts") (together, the "Respondents"); and

WHEREAS, on the basis of that investigation, the Maryland Securities Commissioner (the "Commissioner") concluded that the Respondents violated the securities, broker-dealer and agent and selling person registration requirements and the antifraud provisions of the Act, and further determined that action against the Respondents is in the public interest; and

WHEREAS, pursuant to section 11-701.1(a) of the Act, the Commissioner issued, on March 17, 2006, an Order To Show Cause (the "Order to SC"), incorporated herein by reference, requiring Respondents to show cause why: each Respondent should not be barred permanently from engaging in the securities and investment advisory business in Maryland; why a monetary penalty should not be entered against each Respondent; and why a final order should not be entered ordering each Respondent to cease and desist from further violations of the Act; and

WHEREAS, the Order to SC gave Respondents notice of the opportunity for a hearing in this matter, provided that Respondents submitted an answer within 15 days of service of the Order to SC, including any request for a hearing, and gave notice to Respondents that failure to do so would be deemed a waiver of the right to a hearing and result in the entry of a final order; and

WHEREAS, a copy of the Order to SC was served upon Respondents and upon the Commissioner in accordance with section 11-802 of the Act; and

WHEREAS, process to Respondents was returned marked "unclaimed," however, on April 3, 2006, the Commissioner received Respondents' response by letter dated March 28, 2006; and

WHEREAS, in their submission, neither Respondent requested a hearing; and

WHEREAS, by letter dated April 4, 2006, the Division notified Respondents that their answer was deficient and that the Order to SC required an affirmative response to each paragraph; and

WHEREAS, Respondents did not answer repeated telephone messages and additional correspondence from the Division.

NOW, THEREFORE, THE COMMISSIONER FINDS AND ORDERS:

### **I. JURISDICTION**

1. The Commissioner has jurisdiction in this proceeding pursuant to section 11-701.1 of the Act.

### **II. RESPONDENTS**

2. Dr. eBill.com, Inc., whose principal operating address was 14 Pidgeon Hill Drive, Sterling, Virginia 21065, however, has no current operating address.

3. Jerald J. Roberts, whose address is PO Box 651042, Sterling, Virginia 20165, is the president of DRE.

4. Neither Respondent is registered or has ever been registered in Maryland as a broker-dealer or as an agent.

### **III. FINDINGS OF FACT**

5. DRE claims to be in the business of developing and marketing an internet medical billing business.

6. During 2002 and 2003, Respondents conducted an offering of "Series A Redeemable Preferred Interests" ("SARPI") to investors in Maryland.

7. DRE did not register the SARPI offering in Maryland, nor did DRE file a claim of exemption from registration or notice of preemption as a “covered security.”

8. In offering SARPI to potential investors, Respondents did not disclose relevant risk factors, current financial information, detailed uses of the proceeds, dilution to be experienced by the investors, and legal actions against Roberts, among other material disclosures.

9. Respondents sold and issued SARPI securities to investors including Maryland resident, Alvitta N. Lefall, who invested \$3,000 in SARPI.

#### **IV. CONCLUSIONS OF LAW**

The Commissioner concludes that:

10. The Series A Redeemable Preferred Interests offered and sold by Respondents constitute “securities” within the definition at section 11-101(r) of the Act.

11. Respondents violated Section 11-501 of the Act by offering and selling SARPI without registering, filing an exemption, or perfecting a preemption for those securities.

12. Respondents violated Section 11-401 of the Act by offering and selling SARPI at a time when neither Respondent was registered with the Division as a broker-dealer or agent pursuant to the Act.

13. Respondents violated the antifraud provisions of Section 11-301(2) of the Act in connection with the offer and sale of SARPI by:

a. omitting to state material facts necessary in order to make the disclosure not misleading, such as relevant risk factors, current financial information, detailed uses of the proceeds, dilution to be experienced by the investors, and legal actions against Roberts, among other material disclosures; and

b. misrepresenting or omitting to disclose to investors that neither Respondent was registered to do business in Maryland as a broker-dealer or securities agent, and that this investment should have been registered pursuant to the Act but was neither registered nor exempted from registration.

#### **V. SANCTIONS**

\_\_\_\_ NOW, THEREFORE, the Commissioner finds it to be in the public interest to issue this Final Order, and IT IS HEREBY ORDERED THAT:

14. Respondents each permanently cease and desist from engaging in the offer and sale of unregistered, non-exempt securities in violation of section 11-501 of the Act.

15. Respondents each permanently cease and desist from acting as an unregistered agent or broker-dealer in Maryland in violation of section 11-401(a) of the Act.

16. Respondents each permanently cease and desist in employing any device, scheme, or artifice to defraud in violation of section 11-301 of the Act.

17. Each Respondent is permanently barred from engaging in the securities, broker-dealer, and investment advisory businesses in Maryland for or on behalf of others, or from acting as a principal or consultant in any entity so engaged, or from acting as broker-dealers, broker-dealer agents, issuer-agents, or investment advisers.

18. Respondents are assessed, jointly and severally, a civil monetary penalty, pursuant to Section 11-702 of the Act, in the amount of \$30,000, payable by certified check to the order of the Office of the Attorney General.

## **VI. JURISDICTION RETAINED**

19. Jurisdiction is retained by the Commissioner for the purposes of enabling any party to this Final Order to apply for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Final Order.

**SO ORDERED:**

July \_\_\_, 2006

---

MELANIE SENTER LUBIN  
Securities Commissioner

Maryland Division of Securities  
200 St. Paul Place, 25th Floor  
Baltimore, Maryland 21202-2020  
(410) 576-6360

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Final Order To Cease and Desist and Order of Bar by causing a copy to be delivered by United States mail, certified/return-receipt-requested postage prepaid, as well as by regular United States mail, to:

Dr. eBill.com  
c/o Jerald J. Roberts  
PO Box 651042  
Sterling, VA 20165

and

Mr. Jerald J. Roberts  
PO Box 651042  
Sterling, VA 20165

and by serving a copy by hand delivery to Melanie Senter Lubin, Securities Commissioner, 200 St. Paul Place, Baltimore, MD 21202.

July , 2006

---

Joy R. Sakamoto-Wengel  
Assistant Attorney General

Maryland Division of Securities  
200 St. Paul Place, 25th Floor  
Baltimore, Maryland 21202-2020  
(410) 576-7041