



inappropriate.

3. KELLY engaged in a pattern and practice of recommending MSGI securities to all clients whose accounts he managed. KELLY demonstrated a blatant disregard for said clients investment objectives by recommending and steering clients toward purchasing MSGI stock. KELLY'S recommendations caused an over concentration of MSGI stock to be held in the accounts of clients under KELLY'S management. KELLY'S repeated touting of MSGI contributed to the unwillingness of clients to divest their accounts of MSGI as the value declined.
4. By KELLYS activities and personally motivated investment strategy, KELLY failed to uphold his fiduciary duties by creating investment portfolios with little or no diversification, in the client accounts.
5. KELLY also entered into an agreement with I.Stuart Duggan, a Georgia Attorney, on or about December 17, 1999, to form a holding company called WIRED INVESTMENTS.COM, INC. (WIRED INVESTMENTS). Said holding company's stated purpose was to pool investment funds from accredited investors for the purchase of Wired Empire's Class A Preferred Stock.
6. KELLY failed to notify or receive appropriate authorization from BRADFORD or PAINE WEBBER to engage in or solicit any outside, unapproved investment ventures.
7. The WIRED INVESTMENTS Notice of Sale of Securities Pursuant to Regulation D, section 4(6), and/or Uniform Limited Offering Exemption documents list Alan Annex, of Camhy Karlinsky & Stein LLP as a Managing Partner of Wired Empire Inc.
8. Memos from the offices of Camhy Karlinsky & Stein LLP indicate that KELLY participated in the furtherance of a Private Placement Offering for a MSGI subsidiary called Wired Empire Inc. KELLY is listed as a selling agent for the Wired Empire's Class A Preferred Stock. Memos also indicate that selling agents were compensated at a rate of 6% for funds obtained.

9. Records produced by MSGI indicate that KELLY is the "Selling Agent" listed on at least 36 separate Private Placement investments, one of which is for Wired Investments.Com, Inc. (WIRED INVESTMENTS)
10. Records further indicate that WIRED INVESTMENTS investment pool consists of a total of 49 investors, for a combined total of \$2,340,000.00.
11. Wired Empire financial disclosures indicate that KELLY received \$293,100.00 in commissions due to his activities as an agent.
12. Review of E-mail documents furnished by MSGI indicate that KELLY was included in several E-mails between officers of MSGI, Wired Empire and WIRED INVESTMENTS, which discussed and directed the distribution of stock; and the conversion of shares from Wired Empire to MSGI.

### **CONCLUSIONS OF LAW**

13. By virtue of the activity set forth in paragraphs 3 through 12 above, KELLY has engaged in a course of business, in connection with the sale of securities, which operated, as a deceit upon clients whose brokerage accounts were under his control, in violation of Section 8-6-17(a)(3), Code of Alabama 1975.
14. In addition, KELLY employed a scheme to defraud clients in violation of Section 8-6-17 (a)(1)(2) by omitting to state to clients the total amount and size of his client portfolio concentration of MSGI stock.
15. Pursuant to Section 8-6-3(j)(2), Code of Alabama 1975, the Commission may suspend or revoke any registration, or deny, censor or bar any applicant or registrant from employment with a securities dealer, if the Commission finds that the Order is in the public interest, and that the registrant has willfully violated or failed to comply with any provisions of the Alabama Securities Act.
16. The activity set forth in paragraphs 3 through 12 above constitutes dishonest and

unethical business practices in connection with the sale of securities.

17. That pursuant to Section 8-6-3(j)(7), Code of Alabama 1975, the Commission may suspend or revoke any registration, or deny, censor or bar any applicant or registrant from employment with a securities dealer if the Commission finds that the Order is in the public interest, and that the registrant has engaged in dishonest or unethical practices in the securities business.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

**ACCORDINGLY, IT IS HEREBY ORDERED** that the WEDDINGTON BISHOP KELLY JR shall be **BARRED** from registration as an Agent or engage in securities activities into, within or from the state of Alabama.

Entered at Montgomery, AL, this 18 day of MARCH, 2003.



ALABAMA SECURITIES COMMISSION  
770 Washington Avenue, Suite 570  
Montgomery, AL 36130-4700  
(334) 242-2984

BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over a horizontal line. The signature is stylized and extends above and below the line.

JOSEPH P. BORG  
Director