

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
HOLLYWOOD ON AIR, INC.)
JOHN VELASCO-MILLS)
)
RESPONDENTS)

ADMINISTRATIVE ORDER
NO. CD-2001-0007

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. HOLLYWOOD ON AIR, INC. ("RESPONDENT HOA") is represented to be a Florida corporation, purportedly a global wireless, entertainment, telecommunications, Internet and data company, with business addresses of 521 5th Avenue, Suite 700, New York, NY 10175; 468 North Camden Drive, Suite 200, Beverly Hills, CA 90210; 6760 Jimmy Carter Boulevard, Norcross, GA 30071 and 2212 East 4th Avenue, Tampa, FL 33605.

2. JOHN VELASCO-MILLS ("RESPONDENT VELASCO-MILLS") is represented to be the president of RESPONDENT HOA, with business addresses of 521 5th Avenue, Suite 700, New York, NY 10175; 468 North Camden Drive, Suite 200, Beverly Hills, CA 90210; 6760 Jimmy Carter Boulevard, Norcross, GA 30071 and 2212 East 4th Avenue, Tampa, FL 33605.

STATEMENT OF FACTS

3. On December 11, 2000, RESPONDENT VELASCO-MILLS made a notice filing, pursuant to Rule 506 of Regulation D, with the Commission on Securities and

Exchange Commission ("SEC") Form D ("Form D") for an offering of units ("Units") consisting of 1,000 shares of Class A common stock and one warrant to purchase 500 shares of Class A common stock, each Unit selling for \$10,000, for an aggregate total of \$20,000,000. The Form D indicated that there had been no sales in Alabama as of the date of filing.

4. Review of RESPONDENTS' private placement memorandum ("PPM"), that was to be utilized by RESPONDENTS in connection with the sale of Units in Alabama, and subsequent information obtained by the Commission did not reflect that on November 13, 2000, 100% of the outstanding shares of RESPONDENT HOA were acquired by Open Door Online, Inc. ("Open Door"). The PPM also reflects that investors are to send their checks payable to "Hollywood On Air, Inc." to Dayjo Financial Corporation ("Dayjo"), The Independent Fiduciary, 1672 West Avenue J, Lancaster, CA 93534, and that Alan S. Toppelberg, Esquire ("Toppelberg"), acted in an advisory capacity to management, who prepared the PPM. Additionally, the PPM lists Toppelberg as "Independent Fiduciary" on the list of professional accounts, attorneys and fiduciary.

5. Information received by the Commission disclosed the following pertinent information, concerning Open Door; Dayjo, Toppelberg and RESPONDENTS, that was not reported to the Commission or misrepresented in RESPONDENT HAO's Rule 506 notification filing received from RESPONDENT HOA:

a. Open Door is a New Jersey corporation with a business address of 10 Dorrance Street, Providence, RI 02905. Open Door filed a Form 10-QSB with the SEC on November 20, 2000, for the quarter ending September 30, 2000. A note to the financial statements indicated that Open Door had purchased 100% of the outstanding stock of RESPONDENT HOA.

b. Dayjo, located at PO Box 2372, Lancaster, CA 93539, has represented that it has not done any work for RESPONDENT HOA since July 1, 2000.

c. Toppelberg, located at 144 N. Street, NW, Washington, D.C., has represented that he is not representing RESPONDENT HOA; that he is not SEC Counsel for RESPONDENT HOA; has not agreed to represent RESPONDENT HOA in its SEC filings, and has not participated in any role of any kind involving the private placement of RESPONDENT HOA's stock.

d. RESPONDENTS made a notification filing with the Commission on an SEC Form D. Information obtained from the SEC reflects that no filing has been made to that regulatory agency on behalf of RESPONDENT HOA.

CONCLUSIONS OF LAW

6. RESPONDENTS have made a filing with the Commission, which as of its effective date, or as of any date after filing, was incomplete or contained false statements (see paragraphs 4 and 5, pages 2 and 3, above).

7. The submission of a filing containing incomplete or false statements is a violation of Section 8-6-3(j)(1), Code of Alabama 1975.

8. RESPONDENTS have made a filing with the Commission containing untrue statements of material fact or omitted to disclose material facts in connection with the offer and/or sale of securities necessary to make the statements made, in light of the circumstances under which they were made, not misleading (see paragraphs 4 and 5, pages 2 and 3, above).

9. The submission of a filing containing untrue statements or omission to disclose material facts is a violation of Section 8-6-17, Code of Alabama 1975.

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

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

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS HOLLYWOOD ON AIR, INC. and JOHN VELASCO-MILLS immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 24th day of January, 2001.



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

A large, stylized handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over the typed name and title.

JOSEPH P. BORG
Director