

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 73524 / November 5, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16255

In the Matter of

ERF Wireless, Inc.

Respondent.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against ERF Wireless, Inc. (“ERF” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over ERF and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

Company Background

1. ERF is a Nevada corporation headquartered in League City, Texas. ERF is a smaller reporting company under Rule 12b-2 of the Exchange Act and has been registered with the Commission under Section 12(g) since November 26, 1999. ERF's last-filed periodic report was the Form 10-Q/A for the period ended March 31, 2014. Its shares are quoted on OTC Link (formerly "pink sheets") operated by OTC Markets Group Inc. under the symbol ERFB.

Applicable Reporting Requirements Concerning the Issuance of Unregistered Shares

2. Under Item 1.01 of Form 8-K, a registrant must disclose its entry into a material definitive agreement that provides for obligations that are material to and enforceable against the registrant. Under Item 3.02 of Form 8-K, a smaller reporting company must disclose the unregistered sales of equity securities unless such sales, in aggregate since its last report filed under Item 3.02 or its last periodic report, whichever is more recent, constitute less than five percent of the number of shares outstanding of the class of equity securities sold. For both items, the registrant must file within four business days of the date of the occurrence or when such agreement becomes enforceable against the registrant.

3. Form 10-K requires a registrant to disclose the number of shares outstanding of the registrant's common stock as of the latest practicable date. The information reported in a Form 10-K is required to be true, correct, and complete. *See SEC v. Dauplaise*, No. 6:05CV1391, 2006 WL 449175 at *7 (M.D. Fla. Feb. 22, 2006).

ERF Failed to Disclose the Issuance of Unregistered Shares and the Existence of the Related Financing Agreement

4. On April 24, 2014, ERF entered into an agreement with a financing company ("financing agreement") pursuant to which ERF issued shares of common stock to the financing company purportedly in reliance on a registration exemption found in Section 3(a)(10) of the Securities Act of 1933 ("Securities Act"). The financing agreement provided for obligations that were material to and enforceable against ERF.

5. ERF failed to file a Form 8-K with the Commission, on or before April 30, 2014, or thereafter, disclosing the financing agreement.

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

6. Between November 15, 2013 and April 7, 2014, ERF sold more than 12 million shares of its common stock in transactions that were not registered under the Securities Act. By November 18, 2013, the common stock sold, in the aggregate, exceeded five percent of the number of shares of common stock outstanding reported on ERF's November 14, 2013 Form 10-Q. Ultimately, the common stock sold exceeded 2,000 percent of the number of shares of common stock outstanding reported on ERF's November 14, 2013 Form 10-Q.

7. ERF failed to file a Form 8-K with the Commission between November 21, 2013 and April 14, 2014, disclosing the unregistered sales of equity securities.

8. On April 15, 2014, ERF filed with the Commission its Form 10-K for the fiscal year ended December 31, 2013, and incorrectly reported the number of shares outstanding by more than 450,000 shares, or more than 45 percent.

9. Between April 16, 2014 and May 13, 2014, ERF sold more than one million shares of its common stock to the financing company and other parties in transactions that were not registered under the Securities Act. By April 16, 2014, the common stock sold, in the aggregate, exceeded 12 percent of the number of shares of common stock outstanding reported on ERF's April 15, 2014 Form 10-K, and ultimately, the common stock sold exceeded 95 percent of the number of shares of common stock outstanding reported on ERF's April 15, 2014 Form 10-K.

10. ERF failed to file a Form 8-K with the Commission between April 22, 2014 and May 19, 2014, disclosing the unregistered sales of equity securities.

11. Between May 21, 2014 and July 28, 2014, ERF sold more than 3.8 million shares of its common stock to the financing company and other parties in transactions that were not registered under the Securities Act. By May 27, 2014, the common stock sold, in the aggregate, exceeded nine percent of the number of shares of common stock outstanding reported on ERF's May 20, 2014 Form 10-Q, and ultimately, the common stock sold exceeded 150 percent of the number of shares of common stock outstanding reported on ERF's May 20, 2014 Form 10-K.

12. ERF failed to file a Form 8-K with the Commission between May 27, 2014 and July 28, 2014, disclosing the unregistered sales of equity securities.

13. As a result of the conduct described above, ERF violated Section 13(a) of the Exchange Act and Rules 13a-1, 13a-11, and 12b-20 thereunder, which require every issuer of a security registered pursuant to Section 12 of the Exchange Act to file with the Commission information as the Commission may require, including annual reports on Form 10-K and current reports on Form 8-K to disclose the occurrence of certain events.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent ERF's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent ERF cease and desist from committing or causing any violations and any future violations of Section 13(a) of the Exchange Act and Rules 13a-1, 13a-11, and 12b-20 thereunder.

B. Respondent shall pay civil penalties of \$50,000 to the Securities and Exchange Commission. Payment shall be made in the following installments: \$20,000 on or before November 15, 2014; \$4,000 on or before December 15, 2014; \$4,000 on or before January 15, 2015; \$4,000 on or before February 15, 2015; \$4,000 on or before March 15, 2015; \$4,000 on or before April 15, 2015; \$4,000 on or before May 15, 2015; \$4,000 on or before June 15, 2015; and \$2,000 on or before July 15, 2015. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of civil penalties, plus any additional interest accrued pursuant to 31 U.S.C. 3717, shall be due and payable immediately, without further application. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Green Automotive as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to William P. Hicks, Division of Enforcement, Securities and Exchange Commission, 950 East Paces Ferry Rd. N.E., Suite 900, Atlanta, Georgia 30326.

By the Commission.

Brent J. Fields
Secretary