

posted on its Internet web pages a balance sheet, prepared by Bell, which overstated the value of FFCI's assets by more than 1000 percent. The Commission seeks permanent injunctions against FFCI and Bell enjoining further violations of Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)] and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b)] and Rule 10b-5 [17 C.F.R. 240.10b-5] thereunder, and seeks disgorgement with prejudgment interest, an officer and director bar, an accounting and civil money penalties against Bell.

DEFENDANTS

2. Defendant FFCI was incorporated under Florida law in May 1996, was administratively dissolved in April 2000 and was reinstated in July 2001. FFCI was headquartered in Fort Lauderdale, Florida and operated as a "multidimensional telecommunications provider" with two-way radios, pagers and wireless cable operations. During the period of the misconduct alleged herein, FFCI stock was listed on the OTC Bulletin Board ("Bulletin Board").

3. Defendant Bell, age 52, resided in Pembroke Pines, Florida until at least August 2000. Upon information and belief, Bell was the Chairman of FFCI from June 1998 through at least October 1999. Bell also was FFCI's chief executive officer ("CEO") from September 1998 through March 1999.

JURISDICTION AND VENUE

4. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d) and 77v(a)] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e) and 78aa].

5. Defendants, directly and indirectly, made use of the means and instrumentalities of interstate commerce, the means and instrumentalities of transportation and communication in interstate commerce, and the mails, or the facilities of a national securities exchange, in connection with the acts, practices, and courses of conduct complained of herein.

6. Defendants' acts and practices which constitute violations of the Securities Act and the Exchange Act, and the offers, purchases and sales of securities, described herein, occurred within the District of Utah.

Background

7. From approximately 1996 to the Summer of 1998, FFCI operated a 220 mhz two-way radio license ("License") from a radio tower located in South Florida. During that time, FFCI did not generate profits.

8. During 1998 and 1999, FFCI began attempting to increase its assets by acquiring additional Licenses as well as the assets of several privately held companies in order to meet the minimal asset thresholds required for listing FFCI's stock on NASDAQ. FFCI acquired a small paging store in South Florida and an advertising firm (of which Bell was a principal), and attempted to acquire, among other companies, American Wireless, Inc. ("AWI"), a privately held wireless cable operator based in St. George, Utah.

Misrepresentations to Prospective FFCI Stock Purchasers

9. In the Summer of 1998, Bell approached the chairman of the board of directors of AWI about FFCI acquiring AWI. Bell was, at that time, a director of AWI. On or about September 19, 1998, Bell addressed AWI's board of directors at an AWI

board meeting (“September Board Meeting”) held at AWI’s offices in St. George, Utah. At the September Board Meeting, Bell made the following oral representations to the AWI directors: FFCI had been appraised at more than \$50 million; FFCI had no debt; FFCI planned to conduct a secondary offering for \$20,000,000 which would help FFCI fund AWI’s operations; FFCI had sufficient cash, even without a secondary offering, to fund AWI; and “Fidelity” and “Gabelli” mutual funds were “providing rich financing” to FFCI. Bell further stated, “the person at Fidelity has said that he believes [FFCI] stock, within three years, will be trading at somewhere in the \$300 range if we do not do splits and such, and they say within the first year it should be about \$30 plus per share, if we can get all the acquisitions underway.”

10. Bell made these representations to convince the AWI directors, all of whom were also AWI shareholders, to approve the acquisition of AWI by FFCI.

11. Bell’s presentation at the September Board Meeting was tape recorded, with Bell’s knowledge and consent.

12. After hearing Bell’s representations regarding FFCI, AWI’s board of directors discussed the proposed merger between FFCI and AWI. The board voted to allow FFCI to appeal directly to AWI shareholders about a stock-for-stock exchange of AWI shares for FFCI shares.

13. On or about November 19, 1998, FFCI sent a letter to AWI shareholders soliciting an exchange of AWI shares, valued at \$1/share, for shares of FFCI, valued at \$7/share.

14. On or about January 8, 1999, Bell attended another AWI board meeting in St. George, Utah. Bell was accompanied by FFCI’s corporate counsel, Douglas E. Costa,

(“Costa”) to this meeting. Bell reiterated his statements regarding FFCI’s valuation and distributed a brochure which contained a balance sheet showing FFCI’s assets, as of May 28, 1998, valued at \$52,198,500.

15. Upon information and belief, Bell drafted the brochure and the balance sheet containing the \$52 million asset valuation.

16. On or about April 26, 1999, FFCI contacted AWI shareholders again, this time scheduling a meeting between FFCI and AWI’s shareholders to be held on May 8, 1999 at a Holiday Inn in St. George, Utah. The purpose of the meeting was to provide AWI shareholders with an additional opportunity to exchange their AWI shares for shares of FFCI.

17. Approximately 15-20 AWI shareholders attended the meeting at which Bell and Costa represented FFCI. In the course of Bell’s presentation regarding FFCI, Bell reiterated that FFCI had been appraised at or in excess of \$50,000,000 and stated, in words or substance, that FFCI had virtually unlimited cash to fund AWI’s operations. Bell made these statements to induce the AWI shareholders to exchange their AWI shares for FFCI shares.

18. Based on these meetings, as well as phone calls and individual meetings between Bell and/or Costa and various AWI shareholders, approximately 40 AWI shareholders executed stock powers transferring their shares of AWI stock to FFCI, in exchange for shares of FFCI common stock. In addition to executing stock powers, a few AWI shareholders also purchased shares of FFCI for cash from Bell.

19. FFCI, through Bell, materially misrepresented its assets in these meetings with prospective FFCI shareholders. Bell knew or was reckless in not knowing that FFCI

had not been appraised at \$50 million, FFCI did not have assets worth \$50 million, neither Fidelity Investments nor Gabelli Asset Management, Inc. were financing FFCI and FFCI did not generate operating profits.

Misrepresentations Posted on FFCI's Internet Web Pages

20. From at least December 1998 through June 11, 1999, FFCI publicly displayed on its Internet web pages at www.firstflorida.onbay.com a balance sheet valuing FFCI's assets at \$52,198,500.

21. Upon information and belief, Bell prepared the balance sheet which contained this asset valuation.

22. On April 29, 1999, FFCI's audited financial statement showed that FFCI's total asset value was only \$4,204,594.

23. Bell knew or was reckless in not knowing that FFCI maintained web pages and that the balance sheet posted on FFCI's web pages materially overstated FFCI's assets.

COUNT I

**DEFENDANTS VIOLATED
SECTION 17(a)(1) OF THE SECURITIES ACT**

24. The Commission realleges and repeats the allegations set forth in Paragraphs 1 through 23 of this Complaint as if fully stated herein.

25. From September 1998 through May 1999, Defendants, directly or indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by use of the mails, in the offer or sale of securities, as described herein, knowingly, willfully or recklessly employed devices, schemes or artifices to defraud.

26. By reason of the foregoing, Defendants directly and indirectly, violated and, unless enjoined, will continue to violate Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

COUNT II

DEFENDANTS VIOLATED
SECTIONS 17(a)(2) AND 17(a)(3) OF THE SECURITIES ACT

27. The Commission realleges and repeats the allegations set forth in Paragraphs 1 through 23 of this Complaint as if fully stated herein.

28. From September 1998 through May 1999, Defendants, directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails, in the offer and sale of the securities as described herein:

- a) obtained money or property by means of untrue statements of material fact or omitted to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading; and
- b) engaged in transactions, practices and courses of business which operated as a fraud or deceit upon purchasers and prospective purchasers of such securities.

29. By reason of the foregoing, Defendants violated and, unless enjoined, will continue to violate Sections 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(2) and 77q(a)(3).

COUNT III

**DEFENDANTS VIOLATED SECTION 10(b)
OF THE EXCHANGE ACT AND RULE 10b-5 THEREUNDER**

30. The Commission realleges and repeats the allegations set forth in Paragraphs 1 through 23 of this Complaint as if fully stated herein.

31. From September 1998 through June 1999, Defendants, directly or indirectly, by use of the means or instrumentalities of interstate commerce or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of securities, as described herein, willfully, knowingly or recklessly:

- a) employed devices, schemes or artifices to defraud;
- b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and/or
- c) engaged in acts, practices and courses of business which operated, as a fraud upon the purchasers of such securities.

32. By reason of the foregoing, Defendants, directly or indirectly, have violated and, unless enjoined, will continue to violate Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240. 10b-5, thereunder.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

I.

Permanent Injunctive Relief

Issue a Permanent Injunction, restraining and enjoining Defendants FFCI and Bell, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from violating Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(1), 77q(a)(2) and 77q(a)(3) and Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5.

II.

Disgorgement and Accounting

Issue an Order requiring Bell to disgorge all ill-gotten profits or proceeds that he received, directly or indirectly, as a result of the acts and/or courses of conduct complained of herein, with prejudgment interest, and an accounting by Bell of all proceeds received, directly or indirectly, pursuant to the scheme described in this Complaint.

III.

Penalties

Issue an Order directing Defendant Bell to pay civil money penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d) and Section 21(d) of the Exchange Act, 15 U.S.C. § 78(d)(3).

IV.

Officer and Director Bar

Pursuant to Section 21(d)(2) of the Exchange Act, 15 U.S.C. §78u(d)(2), enter an Order barring Defendant Bell from acting as an officer or director of an issuer that has a class of securities registered with the Commission pursuant to Section 12 of the Exchange Act [15 U.S.C. 78l], or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)], as a result of Bell's violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

V.

Further Relief

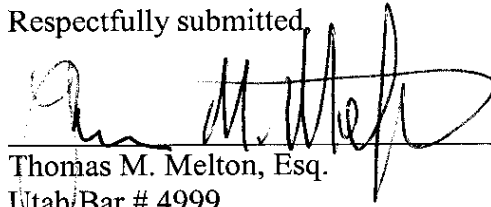
Grant such other and further relief as may be necessary and appropriate.

VI.

Retention of Jurisdiction

Further, the Commission respectfully requests that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that may hereby be entered, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'T. Melton', written over a horizontal line.

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