The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act") and Section 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Information Architects Corporation ("IACH" or "company"), William Overhulser ("Overhulser") and Michael Clark ("Clark") (collectively "Respondents").

In anticipation of the institution of these proceedings, Respondents have submitted Offers 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 Respondents and the subject matter of these proceedings, which Respondents admit, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings, Making Findings, and Imposing a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934 ("Order"), as set forth below.
III.

On the basis of this Order and Respondents’ Offers, the Commission finds¹ that:

A. Respondents

1. IACH is a North Carolina corporation with its principal executive office located in Fort Lauderdale, Florida. IACH, a company that provides employment screening and background investigation services, has a class of securities registered with the Commission under Section 12(g) of the Exchange Act and that trade on the Over-the-Counter Bulletin Board.

2. Overhulser, 38, is the former Chief Operating Officer (“COO”) and a director of IACH. Overhulser has no known disciplinary history.

3. Clark, 30, is the former president of IACH. Clark has no known disciplinary history.

B. Background

4. On April 6, 2004, IACH filed a Form S-8 regarding the issuance of 14.6 million shares of IACH stock to various consultants, who were contracted to perform services through December 31, 2004. IACH’s Form S-8 incorporated by reference subsequent filings of IACH until such time as a post-effective amendment to the S-8 is filed disclosing that all securities offered have been sold or which de-registers all securities that remain unsold. No such amendment was filed during the time period relevant to the events described herein. Therefore, the Form S-8 incorporated the filings described below.

5. On April 22, 2004, IACH filed with the Commission a Form 10-KSB for the year ended December 31, 2003. The Form 10-KSB was signed and certified by Clark, as IACH’s president. IACH relied on a non-employee management consultant, Marvin Winick, to prepare and then file the company’s public reports. Prior to filing, Winick was to provide draft reports for review by IACH’s officers and directors, including Clark and Overhulser. Winick prepared the Form 10-KSB for IACH and included in the filing a Report of Independent Certified Public Accountants dated April 15, 2004, and auditor’s consent letter, purportedly signed by an Oklahoma City-based accounting firm (“accounting firm”). In addition, IACH’s Form 10-KSB noted that, on August 31, 2003, the company retained the accounting firm to replace its prior auditor, who had resigned.

6. On May 14, 2004, August 16, 2004 and November 18, 2004, IACH filed Forms 10-QSB for the quarterly periods ended March 31, 2004, June 30, 2004 and September 30, 2004, respectively. All of IACH’s 2004 quarterly filings were signed and certified by Clark, as president, and Overhulser, as COO. Each filing contains a balance sheet comparing the financial results for the current quarter with those for the year ended December 31, 2003 and designating the 2003 period as “audited.”

¹ The findings herein are made pursuant to Respondents’ Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.
7. In October 2004, the managing partner (“auditor”) of the accounting firm learned that IACH’s Form 10-KSB contained an audit report purportedly issued by the accounting firm. In fact, that accounting firm had neither audited IACH nor provided IACH with an audit report. The auditor immediately confronted Winick about the fictitious audit report. Winick admitted to the auditor that he had included the putative audit report in IACH’s Commission filing. The auditor then told Winick to remove the sham report from the filing; Winick assured the auditor that he would take care of it.

8. In a letter dated October 19, 2004, the accounting firm notified IACH and Winick that the firm had not performed the audit referenced in the 2003 Form 10-KSB and demanded that the firm’s name be removed as IACH’s auditor of record. Until February 2005, IACH took no steps to advise the investing public, in a Form 8-K, press release or by any other means, that the accounting firm performed no audit of its financial statements.

C. Legal Standards

9. Sections 17(a)(2) and 17(a)(3) of the Securities Act proscribe certain fraudulent conduct in the offer and sale of securities. Specifically, Section 17(a)(2) makes it unlawful, in the offer or sale of any securities, for any person to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. Similarly, Section 17(a)(3) makes it unlawful, in the offer or sale of any securities, to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon the purchaser. *Scienter* is not required to establish a violation of Section 17(a)(2) or (3). In this case, IACH’s Form S-8, described above, was a continuing offer of the sale of securities throughout the relevant time period.

10. Sections 13(a) and Rules 13a-1 and 13a-13 thereunder require issuers with a class of securities registered under Section 12 of the Exchange Act to file with the Commission annual and periodic reports, and Rule 12b-20 of the Exchange Act requires that periodic reports contain all information necessary to ensure that the statements made in them are not materially misleading. It is implicit in these requirements that the information in the reports be accurate. *See SEC v. Savoy Indus., Inc.*, 587 F.2d 1149, 1165 (D.C. Cir. 1978), *cert. denied*, 440 U.S. 913 (1979).

11. Section 13(b)(2)(A) of the Exchange Act requires issuers to make and keep books, records, and accounts that, in reasonable detail, accurately reflect transactions and asset dispositions, and Section 13(b)(2)(B) of the Exchange Act requires issuers to devise and maintain a system of internal controls sufficient to provide reasonable assurances that transactions are recorded as necessary to permit the preparation of financial statements in accordance with Generally Accepted Accounting Principles.

12. Rule 13b2-1 (promulgated under Section 13(b)(2)(A) of the Exchange Act) prohibits any person from, directly or indirectly, falsifying or causing to be falsified any book, record or account subject to Section 13(b)(2)(A) of the Exchange Act.
13. Exchange Act Rule 13a-14 requires principal executives and financial officers to certify in quarterly and annual Commission filings that, among other things, they have read the filing; that it does not contain any untrue statements, or omissions, of material facts; that the filing fairly presents the financial condition and results of operations and cash flows of the issuer; and that they have disclosed to the audit committee and auditors all significant deficiencies of internal controls of the company. Rule 13a-14 further requires certifying officers to certify that they have, among other things, reviewed the issuers’ internal controls.

D. Conclusions

14. As a result of the conduct described above, IACH violated Sections 17(a)(2) and 17(a)(3) of the Securities Act, and Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder.

15. As a result of the conduct described above, Overhulser violated Sections 17(a)(2) and 17(a)(3) of the Securities Act, and Rules 13a-14 and 13b2-1 of the Exchange Act, and caused IACH’s violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder.

16. As a result of the conduct described above, Clark violated Sections 17(a)(2) and 17(a)(3) of the Securities Act, and Rules 13a-14 and 13b2-1 of the Exchange Act, and caused IACH’s violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder.
IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanction agreed to in Respondents’ Offer.

Accordingly, it is hereby ORDERED that:

Respondent IACH cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act, Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder.

Respondent Overhulser cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act and Rules 13a-14 and 13b2-1 of the Exchange Act, and from causing any violations and any future violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder.

Respondent Clark cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act and Rules 13a-14 and 13b2-1 of the Exchange Act, and from causing any violations and any future violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder.

By the Commission.

Nancy M. Morris
Secretary