

Order of Prohibition and Fine

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herein, due and proper notice having been previously given as required by statute in this case.

4. As no answer, special appearance or other responsive pleading was filed, the Respondent is therefore deemed to be in default.
5. At all time relevant hereto, the Respondent, PhyMed Partners, Inc., was a purported corporation which maintained a last know business address of 710 Miami Springs Drive, Longwood, Florida, 32779.
6. At all times relevant hereto, Robert Mildenhall was an employee or agent of PhyMed Partners, Inc. and maintained the same last known business address as PhyMed Partners, Inc.
7. Between January 2002 through December 2002, the Respondents offered and sold to at least two Illinois residents stock in PhyMed Partners, Inc.
8. At all times relevant hereto, the Respondents failed to file an Application for Registration with the Secretary of State.
9. By virtue of the foregoing, the Respondents have violated Sections 12.A and 12.D of the Illinois Securities Act, 815 ILCS 5/1 et seq.
10. That Section 11.E(2) of the Act provides that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State, provided that any person who is the subject of an order of permanent prohibition may petition the Secretary of State for a hearing to present evidence of rehabilitation or change of circumstances justifying the amendment or termination of the order of permanent prohibition.
11. That Section 11.E(4) of the Act provides that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, and may issue an order of public censure against the violator.
12. The Respondents violated the Act on at least three separate occasions. Specifically, the Respondents

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offered to sell or sold unregistered securities to Illinois residents and the Respondents failed to register the securities.

13. The entry of a Final Order of Prohibition, an order of censure, and a fine up to \$10,000 per violation is proper in this case, given the conduct of the Respondents as described in Secretary of State Exhibits No. 1-7, as well as the fact that the Respondents failed to appear at the hearing and properly answer the charges.

WHEREAS, the Secretary of State makes and adopts the following additional Finding of Fact: The Respondent, Robert Mildenhall, currently maintains R.R. 2 Box 308A Bluford, Illinois 62814 as his current address.

WHEREAS, the proposed Conclusions of Law are correct and are adopted by the Secretary of State as follows:

1. After proper notification, the Complainant may proceed with a hearing in the Respondent's absence. (735 ILCS 5/1-105 and 5/2-1301; Ryan v. Bening, 1978, 22 Ill. Dec. 873, 66 Ill. App.3d 127, 383 N.E.2d 681; Koenig v. Nardullo, 1968, 99 Ill. App. 480, 241 N.E.2d 567) Significantly, the Notice of Hearing outlines that a default judgment may be entered against a Respondent who fails to appear or answer the charge(s).
2. The Respondents' actions, representations, and/or omissions which were made in connection with a general solicitation and offer or sale of an unregistered security to at least two Illinois residents are a violation of 815 ILCS 5/12.A. The Respondents' actions, representations, and/or omissions which were made in connection with a failure to file the required Application for Registration with the Secretary of State are violations of 815 ILCS 5/12.D.
3. That by virtue of the foregoing, the Respondents are subject to an Order of Prohibition in the State of Illinois and/or granting such other relief as may be authorized under the Act.
4. Because of the Findings of this Order, the documents admitted as Secretary of State Exhibits Numbers 1-7, as well as the fact that the Respondents failed to answer

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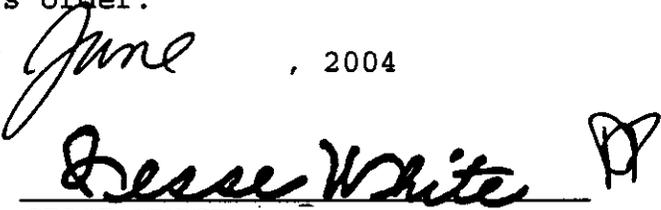
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the charges or appear at the hearing, the entry of a written Order of Prohibition pursuant to 815 ILCS 5/11.E(2) which permanently prohibits the offer or sale of securities by the Respondents in the State of Illinois, and an order of public censure and a fine up to \$10,000.00 per violation pursuant to 815 ILCS 5/11.E(4), are proper in this matter.

WHEREAS, the proposed Recommendations of the Hearing Officer are adopted by the Secretary of State.

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to the foregoing Findings of Fact, Conclusions of Law, and the Recommendations of the Hearing Officer, the Respondents and their affiliates, successors and assigns are permanently prohibited from offering or selling securities in the State of Illinois. Respondent Robert Mildenhall is ordered to pay a fine of \$30,000 payable by certified check or money order within 30 (thirty) days from the date of entry of this order.

ENTERED: This 16th day of June, 2004


JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq. and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:
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