STATE OF MAINE
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, ME 04333

IN RE:	NOTICE OF INTENT TO ISSUE A CEASE AND DESIST ORDER
Alpha Tel-Com, Inc. American Telecommunications Company, Inc. SPA Marketing, LLC Strategic Partnership Alliance, LLC Paul S. Rubera, Jr. Ross R. Rambach Mark Kennison Timothy E. Grant, Sr. Maynard Weinberg	No. 00-044

ALLEGATIONS

1. Alpha Tel-Com, Inc. ("Alpha") is a foreign business entity with a last known business address of 2751 Highland Drive, Grants Pass, Oregon 97526. Alpha Telcom was incorporated in Oregon in 1986 and has been purportedly in the business of offering and selling pay telephones to investors, as well as installing, servicing, managing, maintaining, and selecting locations for pay telephones that investors purchase from Alpha or American Telecommunications Company, Inc.

2. American Telecommunications Company, Inc. ("ATC") is a foreign business entity with a last known business address of 942 S.W. 6th Street, Suite G, Grants Pass, Oregon 97526. ATC was incorporated in Nevada in 1998, was originally named ATC, Inc., and was formed as a wholly owned subsidiary of Alpha. ATC has also been located at 2751 Highland Drive, Grants Pass, Oregon 97526 and 2900 Vine Street, Suite J, Grants Pass, Oregon 97526. ATC has been purportedly in the business of offering and selling pay telephones to investors.

3. SPA Marketing, LLC, and Strategic Partnership Alliance, LLC (collectively "SPA") are foreign business entities with a last known business address of 131 Gaerky Creek Road, Ashland, Oregon 97520. Both SPA entities are Limited Liability Companies formed in Nevada in 1999 and both have also been located at 1200 Washington Road, Suite 203, Washington, Pennsylvania 15301. SPA has been purportedly in the business of

marketing and selling Alpha's and ATC's pay telephones, including through the use of local sales agents.

4. Paul S. Rubera, Jr. ("Rubera") is an individual who at all times relevant to this matter has been the President, Chief Executive Officer, and sole shareholder of Alpha Telcom and has controlled or been affiliated with ATC. Rubera's last known residential address is P.O. Box 220, East Granby, Connecticut 06026.

5. Ross R. Rambach ("Rambach") is an individual who at all times relevant to this matter has owned, managed, and controlled SPA. Rambach's last known residential address is 131 Gaerky Creek Road, Ashland, Oregon 97520.

6. Mark Kennison ("Kennison") is an individual who at all times relevant to this matter has owned, managed, and controlled SPA. Kennison's last known residential address is 10 Holly Ridge Road, Washington, Pennsylvania 15301.

7. Timothy E. Grant, Sr. ("Grant") is an individual who at all times relevant to this matter acted as a sales representative for Alpha Telcom and ATC. Grant was formerly a resident of Sangerville, Maine. His last known residential address is 15443 South Bentley Drive, Arizona City, Arizona 85223.

8. Maynard Weinberg ("Weinberg") is an individual who at all times relevant to this matter acted as a sales representative for Alpha Telcom and ATC. Weinberg's last known residential address is 739 Sunny South Avenue, Boynton Beach, Florida 33436.

9. The payphone investment program typically worked in the following way. Local sales agents, such as Grant and Weinberg in Maine, would arrange for an investor to buy one or more payphones from ATC, at $4,000 or $5,000 per payphone. The investor simultaneously entered into a service agreement with Alpha, which agreed to provide a monthly fee for use of the payphone.

10. The payphone program was marketed to consumers as an investment that would allegedly provide a 12.6 to 14% annual return, based on a monthly income payment. ATC touted the program in its sales literature as an "excellent alternative <u>for individuals seeking to reduce risk</u> within their retirement plans <u>without sacrificing market equivalent returns</u>" [emphasis in original]. ATC's sales literature also referred to a "competitive return" and offered a "performance comparison" chart casting the program in a favorable light to certificates of deposit.

11. The purchase and service agreements were presented and promoted together. Although investors were given the choice of using a company other than Alpha to manage the payphone, all of the Maine investors and approximately 90% of all investors picked Alpha to service their payphones.

12. Most investors did not have the experience or knowledge necessary to operate and maintain the payphones themselves. On information and belief, none of the Maine investors would have had such experience or knowledge.

13. Maine investors played a passive role in the payphone program and had no duties or responsibilities in terms of managing or servicing the payphones they purchased. Instead, Maine investors relied wholly upon Alpha to select the location of the payphone, install it, maintain and clean it, obtain all certifications from regulatory bodies, pay all monthly telephone and utility bills, collect the revenue, and make all other business decisions. Alpha's overall expertise and efforts thus determined whether the investors would obtain the promised return on their investment.

14. Pursuant to the service agreement, investors were to receive 30% of the net revenue from the payphone, while Alpha would receive 70% as a monthly fee. However, if revenues from the payphone did not generate a base amount of $58.34 in any given month (amounting to a 14% return on a $5,000 investment), Alpha agreed to waive a portion of its fee to maintain that monthly base payment. If Alpha waived its entire fee and the base amount was still not met, Alpha made up the difference. Alpha created a computer program that automatically paid each investor the base amount each month, regardless of whether the investor's particular payphone generated enough revenue to pay that amount.

15. Alpha operated at a loss, and investors in the payphone program were not paid in accordance with the revenue generated from each particular payphone. Rather, to meet its payment obligations, Alpha borrowed money from ATC, which obtained revenue solely from sales to new investors. Payments made to existing investors thus came from the sale of payphones to new investors.

16. The sales agents who offered the program to investors were hired, trained, and supervised by SPA, which was ATC's marketing and sales affiliate.

17. From approximately July 1999 to April 2000, Grant and Weinberg sold the payphone investment program to at least nine (9) Maine residents for total investments of at least $80,000.

18. Grant received a commission of 10% for his sales to investors. On information and belief, Weinberg earned a similar commission.

19. At all relevant times, Grant was also a licensed sales representative of Pruco Securities Corporation ("Pruco") and sold the payphone program to investors without Pruco's actual knowledge. Grant attempted to hide the activity from Pruco because he knew that Pruco would not allow him to both work for Pruco and sell the payphone program.

20. Grant had members of his family -- who otherwise had no involvement in the program -- sign documents related to the program, so as to falsely make it appear as if they were the sales agents.

21. Pruco terminated Grant's employment in March 2000 upon learning of his unauthorized sales of a similar investment involving internet kiosks. In September 2001, the National Association of Securities Dealers permanently barred Grant from associating with any member firm in any capacity.

22. On April 11, 2000, the Office of Securities took the sworn deposition of Grant, in which he confirmed and admitted that he had sold the payphone program to investors, had failed to disclose the sales to Pruco, and had his wife sign Alpha-related paperwork for him even though she had no involvement in the payphone program.

23. Alpha Telcom filed for bankruptcy in Oregon in August 2001, shortly after Ohio securities regulators had held evidentiary hearings and decreed, in July 2001, that Alpha Telcom was selling securities.

24. In August 2001, the United States Securities and Exchange Commission ("SEC") filed an action in federal district court in Oregon against Alpha, ATC, Rubera, SPA, Rambach, and Kennison. The SEC alleged that the defendants had been operating a Ponzi-like scheme and that some defendants had acted as unregistered brokers in connection with the offer and sale of investments in their scheme.

25. In November 2001, the Oregon court entered a default judgment against Rambach and Kennison which permanently enjoined them from various securities law violations and ordered each of them to pay over $2.2 million in disgorgement and over $2.2 million as a civil penalty.

26. In February 2002, the Oregon court entered a consent judgment against Alpha, imposing a permanent injunction against various securities law violations and ordering that Alpha pay disgorgement pursuant to a distribution plan to be approved by the Oregon court, the SEC, and the bankruptcy court. Similar consent judgments had been filed in November 2001 against ATC and SPA.

27. In March 2002, after a trial, the Oregon court entered a final judgment against Rubera imposing a permanent injunction against various securities law violations and ordering that he pay over $3.7 million in disgorgement. The Oregon court's February 7, 2002, opinion had found that the payphone program was a security, that those securities had not been registered, and that Rubera's involvement was sufficient to render him liable for their illegal offer and sale.

28. At least thirteen states have taken regulatory action, including the issuance of cease and desist orders, against one or more of the respondents based on essentially the same facts and securities law violations as alleged herein. These states include Arkansas, California, Connecticut, Florida, Illinois, Minnesota, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Washington, and Wisconsin.

29. The payphone investment program involves the sale of investment contracts to consumers. An investment contract is a security under 32 M.R.S.A. § 10501(18). The payphone investment program therefore involves the sale of securities under the Act.

30. Pursuant to 32 M.R.S.A. § 10401, a person may not offer or sell any security in Maine unless the security is registered under the Revised Maine Securities Act ("the Act") or the security or transaction is exempt from registration under the Act.

31. The payphone investment program has never been registered under the Act for offer and sale in Maine, nor is the Office of Securities aware of any applicable exemption from registration for which the program may have qualified.

32. All respondents violated 32 M.R.S.A. § 10401 by offering and selling unregistered securities in Maine.

33. Rubera is also liable as a control person of Alpha and ATC pursuant to 32 M.R.S.A. § 10602(3).

34. Rambach and Kennison are also liable as control persons of SPA pursuant to 32 M.R.S.A. § 10602(3).

35. Pursuant to 32 M.R.S.A. § 10602(1)(A), the Securities Administrator may, after notice and opportunity for hearing, issue a cease and desist order against any person if the Securities Administrator reasonably believes that the person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule or Order issued pursuant to the Act.

NOTICE

Pursuant to 32 M.R.S.A. § 10708(6), notice is hereby given that the Securities Administrator intends to issue an Order to Cease and Desist, pursuant to 32 M.R.S.A. §10602(1)(A), against all respondents, to prohibit further violations of the Revised Maine Securities Act.

Pursuant to 32 M.R.S.A. § 10708 (2), interested parties have thirty (30) calendar days from the entry of this Notice of Intent to file a written request for a hearing.

Date: November 1, 2002

/s/ Christine Bruenn
Christine A. Bruenn
Securities Administrator