

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
THE FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Issac Sheppard Funderburk and
Home Alert, Incorporated,

Respondents.

ODS File No. 05-096

CONSENT ORDER TO CEASE AND DESIST

On September 15, 2005, a recommendation for an order to cease and desist (Recommendation) against Issac Sheppard Funderburk (Funderburk), and Home Alert, Incorporated (Home Alert) (collectively referred to as "Respondents") was filed with the Administrator of the Oklahoma Department of Securities (Department). The issuance of such order is authorized by Section 814.B of the Oklahoma Business Opportunity Sales Act (Act), Okla. Stat. tit. 71, §§ 801-829 (2001).

On October 5, 2005, the Administrator of the Department issued a Notice of Opportunity for Hearing with the Recommendation attached (Notice). Pursuant to Section 818.F of the Act, the Notice was served on the Administrator of the Department on October 5, 2005, and mailed to the last known addresses of Funderburk and Home Alert, by certified mail, return receipt requested, and delivery restricted. On October 17, 2005, service was made on Funderburk and Home Alert by mail. On November 1, 2005, Funderburk and Home Alert filed a Request for Hearing in this matter.

In order to resolve the issues raised in the Recommendation, Respondents Funderburk and Home Alert, without admitting or denying any violation of the Act, consent to the entry of this Order and voluntarily waive the right to hearing as required by the Act, the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules), and the Oklahoma Administrative Procedures Act, Okla. Stat. tit. 75, § 250 *et seq.*

For the purpose of settling this matter expeditiously the Administrator of the Department, being fully advised in this matter, finds that the issuance of this

Order is in the public interest and does hereby adopt the Findings of Fact and Conclusions of Law set forth below.

Findings of Fact

1. On the 24th day of October, 2002, Home Alert was incorporated under the laws of the state of Oklahoma. Home Alert's principal place of business is 1327 Linwood Bouvelard, Oklahoma City, Oklahoma. On March 19, 2003, Home Alert's corporate charter was suspended by the Oklahoma Tax Commission for non-payment of franchise tax. To date, Home Alert's corporate charter has not been reinstated.

2. Issac Sheppard Funderburk (Funderburk), a resident of Oklahoma, represents himself to be Vice President of Marketing of Home Alert.

3. During June 2004, Funderburk telephoned D. Hundt, doing business as GTS Sales, Inc. (Hundt), at his residence in Tucson, Arizona. Funderburk told Hundt that Home Alert was seeking distributors in Arizona to sell two-way communication alarm systems providing 24 hour a day communications. Funderburk further represented that the Home Alert system provides constant access to emergency assistance through a remote activation device at a cost of \$32.95 per month.

4. Shortly after the telephone conversation, Funderburk traveled to Tucson, Arizona, to further explain the distributorships that Home Alert was offering for sale. Funderburk referred Hundt to a web site at <http://www.securealertgroup.com/aboutus.htm> for information describing the Home Alert system and distributorships.

5. According to Funderburk, distributors of the Home Alert alarm system will generate income through the purchase of sales kits. Each sales kit contains an alarm unit; a remote activation unit enabling a live demonstration of the alarm system to potential purchasers; promotional literature; and an application for purchase of the Home Alert alarm system, to be placed at various health related retail locations. Funderburk recommended that Hundt use Excel Location Service to identify retail locations for placement of the demonstration units and marketing materials. Home Alert will also pay retailers \$100 for each alarm system application forwarded to Home Alert.

6. Upon receipt of a completed application, Home Alert will fax the application to a distributor who is responsible for shipping an alarm unit from inventory provided to the distributor by Home Alert. The distributor will be paid \$50 for each order shipped. Additionally, the distributor will receive \$8 for each month that a customer stays connected to the communication system.

7. On or about July 19, 2004, Hundt signed a purchase contract with Home Alert for a distributorship and six (6) sales kits, for a total cost of \$10,788. Hundt mailed the purchase contract and a personal check in the amount of \$500 as a deposit on the distributorship to the office of Home Alert in Oklahoma City, Oklahoma. On or about July 30, 2004, Hundt mailed two personal checks in the amount of \$10,288 for the remaining cost of the distributorship.

8. The Home Alert distributorship described above is not registered under the Act.

9. Respondents omitted to disclose the following facts in connection with the offer and sale of the distributorship to Hundt:

- (a) that Home Alert's corporate charter is suspended; and
- (b) that the Home Alert distributorship is not registered under the Act.

10. Respondents failed to provide Hundt with the disclosure materials required by Section 808 of the Act.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

Conclusions of Law

1. The distributorship agreement offered and sold by Home Alert and Funderburk is a business opportunity.

2. Home Alert and Funderburk offered and sold a business opportunity in and from the state of Oklahoma.

3. The offer and sale of the business opportunity by Home Alert and Funderburk without registration of the business opportunity under the Act is a violation of Section 806 of the Act.

4. Home Alert and Funderburk failed to deliver to Hundt the required written disclosure document, in violation of Section 808 of the Act.

5. Home Alert and Funderburk omitted to state material facts in connection with the offer and sale of a business opportunity, in violation of Section 819 of the Act.

6. Home Alert and Funderburk engaged in acts and practices that operated as a fraud or deceit in connection with the offer and sale of a business opportunity, in violation of Section 819 of the Act.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

ORDER

IT IS HEREBY ORDERED that Funderburk and Home Alert cease and desist the offer and sale of business opportunities in violation of Sections 806, 808, and 819 of the Act.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 8th day of March, 2006.

(SEAL)

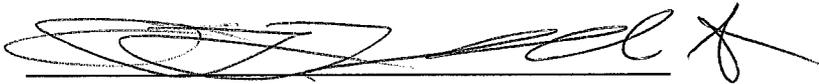


IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

ACCEPTANCE OF RESPONDENTS

Respondents represent that they have read, understand and voluntarily consent to the issuance of this Consent Order to Cease and Desist, that the consent and waivers contained herein are voluntary and given without threat, offer, promise, or inducement of any kind or nature having been made or given by the Department, its staff, the Administrator, or the Oklahoma Securities Commission.

Voluntary Consent of Issac Sheppard Funderburk III:



Date: 2/22/06

Address: 1327 Linwood
Oklahoma City, OK 73106

Voluntary Consent of Home Alert Incorporated:

By: 
Issac Sheppard Funderburk III

Date: 2/27/06

Address: 1327 Linwood
Oklahoma City, OK 73106