

**STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION**

**IN THE MATTER OF:**

**ADVANCED WORLDWIDE SECURITY  
SOLUTIONS, INC.  
ROBERT ALAN LANDEROS  
SCOTT DEARBORN**

**RESPONDENTS**

**ADMINISTRATIVE ORDER  
NO. CD 2008-0023**

**CEASE AND DESIST ORDER**

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the state of Alabama, has determined as follows:

**RESPONDENTS**

1. **ADVANCED WORLDWIDE SECURITY SOLUTIONS, INC. ("AWSS")** is a California corporation, with a business address of 16134 Sherman Way, Van Nuys, CA. 91406.

2. **ROBERT ALAN LANDEROS, ("LANDEROS")**, at all times relevant, was the President and Secretary of **AWSS**, with a business address of 16134 Sherman Way, Van Nuys, CA. 91406.

3. **SCOTT DEARBORN ("DEARBORN")**, at all times relevant, was an employee working in the Development Office of **AWSS**, with a business address of 16134 Sherman Way, Van Nuys, CA. 91406.

## STATEMENT OF FACTS

4. **AWSS** was formed in 2004 to be a “provider of Enterprise Security Management Systems that are designed for large enterprises to help them solve a diverse set of physical security and operational problems”.

5. In December 2006 and continuing thereafter, **DEARBORN** acting as an agent for **AWSS** telephoned an Alabama resident with whom he had no preexisting relationship and offered him preferred stock with a 10% per annum dividend, warrants to purchase common stock in **AWSS**.

6. On January 1, 2007, the Alabama investor issued a personal check in the amount of \$20,000 to purchase 20,000 shares of preferred stock offered by **DEARBORN** as a capital investment in **AWSS**. The Alabama resident continued to invest with **AWSS** on March 01, 2007 in the amount of \$20,000 and April 1, 2008 with an additional \$20,000.

7. On January 5, 2007, March 28, 2007 and May 8, 2007 the Alabama resident was issued stock certificates representing 60,000 shares of **AWSS** preferred stock. All of the stock certificates were signed and executed by **LANDEROS** as the Secretary and President of **AWSS**.

8. On May 7, 2007, the State of California, Business, Transportation and Housing Agency, Department of Corporations issued a “Desist and Refrain Order” against **AWSS** and **LANDEROS** for offering and selling securities without the issuance of a permit as required by California law.

9. On June 13, 2008 a review of the files of the Commission, disclosed that **AWSS** did file for an exemption under Registration D Rule 506 filing with the U.S. Securities and Exchange Commission on May 30, 2006 and the Alabama Securities Commission

in February 2007. However, this was four (4) months after the initial offer and sale was made to the Alabama resident.

10. Information made available to the Commission indicates that **AWSS** made a general solicitation ("cold call") to an Alabama investor. This conduct is in violation of the United States Securities and Exchange Regulation 230.502(c), regarding, Limitation on Manner of Offering. The exemption for registration concerning Reg. D 506 filing (Limited Offering) is conditional to the issuer abiding by the rules against general solicitation.

11. On June 13, 2008, a review of the Commission's registration files disclosed no record of registration for **RESPONDENTS** as a Dealer or Agent for securities in Alabama.

12. On June 13, 2008, a review of the Commission's registration files disclosed no record of registration or exemption from registration in the state of Alabama for the securities, to wit: the preferred stock offered and sold by **RESPONDENTS**.

13. At no time did the **RESPONDENTS** advise the Alabama resident investor of their failure to be registered in the State of California or the State of Alabama.

#### **CONCLUSIONS OF LAW**

14. Section 8-6-2 (10), Code of Alabama 1975, defines any stock as a security. The preferred stock in **AWSS**, sold to the Alabama investor is a security under Alabama law.

15. Under Section 8-6-2(2), Code of Alabama 1975, the definition of "agent" includes any individual who represents a dealer or an issuer in effecting or attempting to effect sales of securities. **DEARBORN** and **LANDEROS** acted as an agent of **AWSS** under the Act when offering and selling the stock.

16. Pursuant to Section 8-6-3(a) , Code of Alabama 1975, it is unlawful for any person to transact business in this state as a Dealer or Agent for securities unless he is registered under this article. It is unlawful for any dealer or issuer to employ an agent unless the agent is registered. **RESPONDENTS** are not registered as a Dealer or Agent and have transacted business by effecting securities transactions with Alabama residents in violation of the Act.

17. Section 8-6-4, Code of Alabama 1975 states: "It is unlawful for any person to offer or sell any security in this state unless it is registered under this article; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11." The securities offered and sold by the **RESPONDENTS** were neither registered nor exempt from registration in Alabama at the time of solicitation or sale in violation of this section.

18. The violation committed by **RESPONDENTS** voids any exemption claimed by **AWSS** concerning the offering of common stock. This conduct is in violation of the United States Securities and Exchange Commission Regulation 230.502(c), regarding limitation on Manner of Offering. The exemption for registration concerning Reg D 506 filing (Limited Offering) is conditional to the issuer abiding by the rules against general solicitation.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

**ACCORDINGLY, IT IS HEREBY ORDERED that ADVANCED WORLDWIDE SECURITY SOLUTIONS, INC., ROBERT ALAN LANDEROS and SCOTT DEARBORN immediately CEASE AND DESIST from further offers or sales of any security into, within or from the state of Alabama.**

Entered at Montgomery, Alabama, this 24<sup>th</sup> day of July, 2008

ALABAMA SECURITIES COMMISSION  
770 Washington Avenue, Suite 570  
Montgomery, AL 36130-4700  
(334) 242-2984  
BY:

  
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J. RANDALL McNEILL  
Deputy Director

