

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)	
)	
FREEDOM ONLINE, INC.)	ADMINISTRATIVE ORDER
THEODORE MAHONEY)	NO. CD-2005-00 ²⁶
PAUL RANGEL)	
)	
<u>RESPONDENTS</u>)	

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power 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. FREEDOM ONLINE, INC. ("FREEDOM") is a Florida company, with a business address of 435 Douglas Avenue, Suite 2005, Altamonte Springs, FL, 32714.

2. THEODORE MAHONEY ("MAHONEY") is the Chairman, President and Chief Executive Officer of FREEDOM ONLINE, INC., with a business address of 435 Douglas Avenue, Suite 2005, Altamonte Springs, FL, 32714.

3. PAUL RANGEL ("RANGEL") is a representative with FREEDOM ONLINE, INC., with a business address of 435 Douglas Avenue, Suite 2005, Altamonte Springs, FL, 32714.

STATEMENT OF FACTS

4. Information made available to the Commission indicates that in December 2003, MAHONEY and RANGEL offered an investment in a limited offering, issued by the company, to an investor residing in Alabama. The investment contract claims the offering is exempt from registration under Reg. D 506 provisions.

5. Information made available to the Commission indicates that MAHONEY and RANGEL made a general solicitation ("cold call") to an Alabama investor. This 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 (Limited Offering) is conditional to the issuer abiding by the rules against general solicitation. The violation committed by MAHONEY and RANGEL voids any exemption claimed by FREEDOM concerning the limited offering.

6. A search of the U.S. Securities and Exchange Commission's Edgar website revealed no records of a Reg. D 506 filing submitted by FREEDOM.

7. A review of the files of the Alabama Securities Commission Registration Division disclosed no record of a notice filing from FREEDOM for the issue of a Reg. D 506 limited offering.

8. A review of the files of the Alabama Securities Commission Registration Division disclosed no record of registration, nor exemption from registration for MAHONEY or RANGEL as a Securities Agent or Dealer in the state of Alabama.

9. A review of the files of the Alabama Securities Commission Registration Division disclosed no record of registration, nor exemption from registration for FREEDOM as a Securities Agent or Dealer in the state of Alabama.

CONCLUSIONS OF LAW

10. MAHONEY, RANGEL and FREEDOM are not registered, and are not exempt from registration, as a Dealer or Agent in the state of Alabama. The sale of securities by an unregistered Dealer or Agent in the state of Alabama is a violation of Section 8-6-3(a), Code of Alabama 1975.

11. Due to the general solicitation made by MAHONEY and RANGEL, any registration exemption claimed by the company for the offer of this particular security is void; therefore, the limited offering issued by FREEDOM is neither registered nor exempt from registration in the state of Alabama. The sale of unregistered securities, in the state of Alabama is a violation of Section 8-6-4, Code of Alabama 1975.

This Order does not prevent the Alabama Securities 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 RESPONDENTS 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 25th day of August, 2005.

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

BY:


JOSEPH P. BORG
Director

