

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

INFRAEGIS, INC. )  
GREGORY E WEBB )  
C ROBERT ABBOTT )  
JAMES R ZILKA )  
RESPONDENTS )  
ADMINISTRATIVE ORDER  
NO. CD- 2010-0035

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having 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. **INFRAEGIS, INC.** ("INFRAEGIS") is Delaware Corporation with a stated business purpose of providing integrated technology products for infrastructure and national security applications, with a business address of 1612 Landmeier Road, Suite F, Elk Grove Village, Illinois 60007.
2. **GREGORY E. WEBB**, ("WEBB") is the President and Chief Executive Officer (CEO) and Chairman of Infraegis, Inc., with a business address of 1612 Landmeier Road, Unit F, Elk Grove Village, Illinois 60007.
3. **C. ROBERT ABBOTT** ("ABBOTT") is the Chief Product Officer of Infraegis, Inc., with a business addresses of 1612 Landmeier Road, Unit F, Elk Grove Village, Illinois 60007, and at Watergate Office Complex, 2600 Virginia Avenue NW, Suite 606, Washington, DC 20037.
4. **JAMES R. ZILKA** ("ZILKA") is the Chief Financial Officer of Infraegis, Inc., with a business addresses of 1612 Landmeier Road, Unit F, Elk Grove Village, Illinois 60007, and at Watergate Office Complex, 2600 Virginia Avenue NW, Suite 606, Washington, DC 20037.

## STATEMENT OF FACTS

5. The Commission is in receipt of information that in July 2008, **INFRAEGIS, INC.**, and its Principals, **WEBB, ABBOTT**, and **ZILKA**, without benefit of registration as a securities Dealer, Agent, Investment Advisor, or Investment Advisor Representative in the State of Alabama allowed the sale and issue of Infraegis, Inc., stock by and to Alabama residents.

6. The Commission is in receipt of bank wire transfers depicting the transfer of funds from the bank account(s) of four Alabama residents to the bank account of Infraegis, Inc., in order to purchase shares of stock in **INFRAEGIS, INC.**.

7. On May 12, 2010, a review of the Registration files of the Alabama Securities Commission revealed no registration for the RESPONDENTS as a Securities Dealer or Securities Agent, Investment Advisor (IA) or Investment Advisor Representative (IAR) in the state of Alabama.

8. On May 12, 2010, a review of the Registration files of the Alabama Securities Commission revealed no evidence of registration or any perfected exempt from registration of the shares of stock offered/issued by **INFRAEGIS, INC.** Further, there is no evidence of any 506 filings as it pertains to **INFRAEGIS, INC.**.

## CONCLUSIONS OF LAW

9. Section 8-6-2(10), Code of Alabama 1975, includes in the definition of a "security", any stock or participation in any profit-sharing agreement, subscription, or investment contract. The stock shares of **INFRAEGIS, INC.**, offered/issued by the RESPONDENTS to the Alabama residents are securities as defined by the Act.

10. Section 8-6-2(2), Code of Alabama 1975, defines an agent as any individual other than a dealer who represents a dealer or issuer in effecting or attempting to effect sales of securities.

11. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as an Investment Advisor, Investment Advisor Representative, Dealer, or Agent for securities unless he is registered under the Act. RESPONDENTS offered and sold shares of stock in **INFRAEGIS, INC.**, to Alabama residents without benefit of registration as an Investment Advisor, Investment Advisor Representative, Securities Dealer, or Agent in the State of Alabama in violation of the Act.

12. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful for any person to offer or sell any security in this state unless it is registered under the Act; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. The selling of shares of "stock" in **INFRAEGIS, INC.**, offered/issued by the RESPONDENTS which are not registered under the act or subject to any perfected securities or transactional exemption is a violation of Section 8-6-4, Code of Alabama 1975.

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.

Additionally, if the allegations set forth herein are found to be true, though administrative adjudication, failure of the RESPONDENTS to make a timely request for hearing, or default of the respondents, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, *inter alia*, an administrative assessment imposed on RESPONDENTS, an additional administrative assessment for investigative cost arising from the investigation of the violation(s) described herein against RESPONDENTS, and a permanent order to bar RESPONDENTS from participation in any securities related industry in the state of Alabama.

**ACCORDINGLY, IT IS HEREBY ORDERED** that **INFRAEGIS, INC., GREGORY E. WEBB, C. ROBERT ABBOTT, and JAMES R. ZILKA**, 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 22nd day of JUNE, 2010.



ALABAMA SECURITIES COMMISSION  
401 Adams Avenue, Suite 280  
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(334) 242-2984

BY:   
JOSEPH R. BORG  
Director