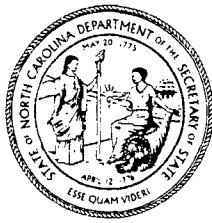


# STATE OF NORTH CAROLINA



Department of The  
Secretary of State

In The Matter Of:

**THE NORTH CAROLINA SECURITIES DIVISION,**

Petitioner,

vs.

**DANNY R. BAXLEY**  
CRD# 1417104  
101 Marywood Drive  
High Point, NC 27265,

Respondent.

**TEMPORARY ORDER  
TO  
CEASE AND DESIST**

**FILE NO. 04-036-IG**

Pursuant to the authority granted by Chapter 78A of the North Carolina General Statutes (the North Carolina Securities Act), hereinafter referred to as the "Securities Act," and the rules promulgated thereunder, the Securities Division of the Department of the Secretary of State, hereinafter referred to as the "Division," has investigated the activities of **DANNY R. BAXLEY** (hereinafter "Baxley" or "Respondent") to determine if he has engaged in, or is about to engage in, any act or practice constituting a violation of the Securities Act or any rule or order thereunder.

**THE DIVISION** has filed an Administrative Petition against the above-named Respondent seeking, among other remedies, a temporary and summary Cease and Desist Order pursuant to the provisions of N.C.G.S. §78A-47(b)(2).

**THE SECRETARY OF STATE**, acting by and through her duly authorized Deputy Securities Administrator, from the investigation and the information derived therefrom, and for the protection and preservation of the public welfare and in the public interest, makes the following:

### **FINDINGS OF FACT**

1. Respondent Baxley resides at 101 Marywood Drive, High Point, NC 27265 and is an agent of Mobile Billboards of America, Inc. (hereinafter "MBA").
2. MBA is a corporation organized and existing under the laws of the State of Delaware that maintains its principal place of business at 11520 St. Charles Rock Road, Suite 212, Bridgeton, MO, 63044. MBA and its affiliates are engaged in the business of selling a sale-and-leaseback program involving the offering, selling, managing and leasing of mobile billboard equipment, in the form of "flex frames."
3. Upon information and belief, commencing in June, 2001 and continuing through October, 2003, Respondent offered and sold to members of the public in North Carolina contracts in a sale-and-leaseback program whereby investors could allegedly earn a fixed 13.49% rate of return (or similar high rate of return) by purchasing equipment from MBA and simultaneously leasing the purchased equipment to management and leasing companies that are related to MBA.
4. The offer and sale of the MBA sale-and-leaseback program, as described herein constitutes the "offer" and "sale" of a "security," as those terms are defined pursuant to N.C.G.S. §§ 78A-2(8) and 78A-2(11).

5. By offering and selling the securities, as described herein, to the public in North Carolina, Respondent was transacting business and acting as a “dealer” or “salesman” within the meaning of N.C.G.S. §§ 78A-2(2) and 78A-2(9).

6. The MBA securities, as offered and sold to members of the public of North Carolina by Respondent, were not registered with the Securities Division of the Department of the Secretary of State under the provisions of the North Carolina Securities Act prior to being offered and sold in North Carolina, as required by N.C.G.S §78A-24.

7. During the time period between February 21, 2002 and October 24, 2003, Baxley was not registered as a dealer or salesman of securities as required by N.C.G.S §78A-36.

8. During the time period between January 26, 1995 and February 20, 2002 Respondent was registered with the firm PFS Investments, Inc., a registered dealer of securities within the state of North Carolina. While employed with PFS Investments, Inc., Respondent did not possess the requisite license or licenses which would have permitted him to offer and sell all types of securities, including the securities described herein.

9. It is in the public interest of the citizens of North Carolina and for the protection of investors that Respondent be prohibited from violating the provisions of the Securities Act in connection with selling or making offers to sell securities, buying or soliciting offers to buy securities, and transacting business as a dealer and/or salesman.

10. Respondent presently continues to have the ability to offer and sell securities to persons in North Carolina in violation of the provisions of N.C.G.S. §§78A-24 and 78A-36.

### **CONCLUSIONS OF LAW**

1. The Secretary has statutory authority pursuant to N.C.G.S. §78A-47(b)(2) to enter and issue a Temporary Order to Cease and Desist against the Respondent.

2. There is reasonable cause to believe the Respondent has engaged in willful violations of the North Carolina Securities Act, specifically N.C.G.S. §§78A-24 and 78A-36(a).

3. There is reasonable cause to believe the Respondent will continue to commit acts and omissions in violation of the North Carolina Securities Act.

4. It is necessary and appropriate for the protection and preservation of the public interest that the Respondent be summarily ordered to cease and desist from making offers and sales of securities in violation of the North Carolina Securities Act.

5. The public interest would be irreparably harmed by the delay inherent in issuing an order under the provisions of N.C.G.S. §78A-47(b)(1).

**NOW, THEREFORE, IT IS ORDERED**, pursuant to the authority contained in N.C.G.S. §78A-47(b)(2), that Respondent Danny R. Baxley, and any and all persons in active concert and participation with Danny R. Baxley, shall immediately cease and desist:

a. offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, securities in the form of contracts to purchase a sale-and-leaseback program offered by Mobile Billboards of America, Inc. and any security of any issuer, howsoever denominated, unless and until such securities have been registered pursuant to the provisions of the Securities Act; and

b. offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, securities, in the form of contracts to purchase Mobile Billboards of America, Inc. in the form of a sale-and-leaseback program, or any other security of any issuer, howsoever denominated, unless and until said persons become registered as dealers or salesmen of securities pursuant to the provisions of the Securities Act.

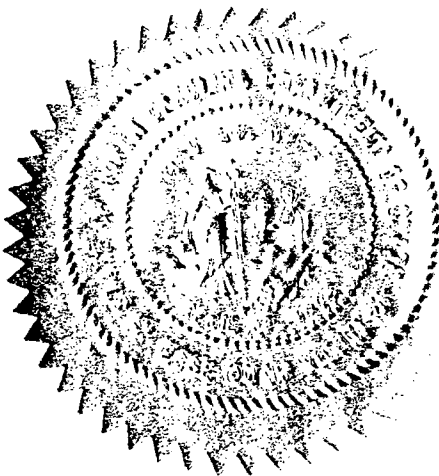
**NOTICE IS HEREBY GIVEN** that the Respondent may request a hearing upon this matter by transmitting such request, in writing and within thirty (30) business days of receipt of this document, to David S. Massey, Deputy Securities Administrator, Securities Division, Department of the Secretary of State, Post Office Box 29622, Raleigh, North Carolina 27626-0622. A copy of

any such request shall be served by first-class mail upon Allan C. J. Russ, Enforcement Attorney, Securities Division, Department of the Secretary of State, Post Office Box 29622, Raleigh, North Carolina 27626-0622. If such a request is made, this matter shall be scheduled for a hearing in accordance with Chapter 150B of the North Carolina General Statutes within twenty (20) days after receipt by the Deputy Securities Administrator of the written request. If no request for a hearing, other responsive pleading, or submission is received by the Deputy Securities Administrator within thirty (30) business days of the receipt of service hereof, this Temporary Order To Cease And Desist shall become final and remain in effect unless it is modified or vacated by the Secretary of State in her capacity as Administrator of the North Carolina Securities Act.

WITNESS MY HAND AND THE OFFICIAL SEAL of the North Carolina

Department of the Secretary of State, this the 22nd day of September, 2004.

Time of entry: 4:37 P.M.



**ELAINE F. MARSHALL  
SECRETARY OF STATE OF NORTH  
CAROLINA and  
SECURITIES ADMINISTRATOR**

By: /s/ David S. Massey  
**DAVID S. MASSEY  
DEPUTY SECURITIES ADMINISTRATOR**