

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

RECEIVED

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ARKANSAS SECURITIES

IN THE MATTER OF:
MEGGATEL CORPORATION,
WILLIAM W. EVANS, AND
ARNON C. BOYD

CASE NO S-14-0000

REQUEST FOR CEASE AND DESIST ORDER

The Staff of the Arkansas Securities Department (“Staff”) received information and has in its possession certain evidence that indicates Meggatel Corporation, William W. Evans, and Arnon C. Boyd have violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. § 23-42-101 through § 23-42-509, and the Rules of the Arkansas Securities Commissioner (“Rules”).

Administrative Authority

1. This matter is brought in connection with violations of sections of the Act and the Rules and is therefore properly before the Arkansas Securities Commissioner (“Commissioner”) in accordance with Ark. Code Ann. § 23-42-209.

Respondents

2. Meggatel Corporation (“Meggatel”) was a Nevada corporation until May 2014. Meggatel had its principal place of business in Texas. Meggatel was never registered with the Arkansas Securities Department (“Department”) in any capacity.

3. William W. Evans (“Evans”) is a resident of Texas. Evans was the president and CEO of Meggatel. Evans has never been registered with the Department in any capacity.

4. Arnon C. Boyd (“Boyd”), CRD no. 1918551, is a resident of Texas. Boyd was a director of Meggatel. Boyd was registered with the Department as a broker-dealer agent of Next Financial

Group, Inc. from June 8, 2010 until July 17, 2012. Boyd has not been registered with the Department in any capacity since July 17, 2012.

Facts Supporting Cease and Desist Order

5. On or about September 3, 2012, Boyd, on behalf of Meggatel, offered and sold a Promissory Note to Arkansas resident one (“AR1”). A Copy of this Promissory Note with a common stock certificate is attached to this Request as Exhibit 1. The check for AR1’s purchase of the promissory note and common stock was received by Meggatel on September 10, 2012. AR1 also completed Meggatel paperwork that stated AR1 was a retired, non-accredited investor. After receiving two quarterly payments from Meggatel, AR1 received no further payments of any principal or interest from Meggatel.

6. Boyd had been and was handling AR1’s investments at the time AR1 invested in Meggatel. In fact, Boyd strongly encouraged AR1 to invest in Meggatel. However, Boyd only told AR1 positive information about Meggatel. Boyd did not tell AR1 that there were any risks in buying the Promissory Note issued by Meggatel.

7. On or about August 31, 2012, Boyd sent an email to AR1. A Copy of this email is attached to this Request as Exhibit 2. In his email Boyd told AR1, “So our stock holders of Meggatel not only get the income as an ETC (eligible telecommunications carrier) provider, but also from Veri-Fly; probably another few million a year in income with potential for so much more if the government likes our system to eliminate double dipping.” Boyd provided no factual basis for his claim about the income potential for Meggatel from Veri-Fly Data Corporation (“Veri-Fly”). Boyd statements about the income potential of Veri-Fly are mere speculation. Later in the same email Boyd states, “Then we have a divine appointment with the governor of Kansas. We have been told he would like to visit with us about the Veri-Fly system for use in his state. If he likes

it, then they, along with Oklahoma and Arkansas, will require all ETC companies to use Veri-Fly's verification system." The rules, requirements, and eligibility of ETCs are set by the Federal government and a federal government non-profit corporation. The governor of Kansas simply had no control over who was required to use Veri-Fly.

8. On or about September 10, 2012, Evans, as CEO of Meggatel, sent a letter on Meggatel stationary to AR1. A Copy of this letter is attached to this Request as Exhibit 3. In his letter Evans stated, "USAC (United Services Administration Corporation) will soon require all competitive ETC's, including Meggatel to use Veri-Fly Data's system..." Since Veri-Fly was not incorporated until September 6, 2012, it cannot be true that by September 10, 2012 the USAC had already decided to require all ETCs to use Veri-Fly. Later in his letter Evans stated, "This week alone, Veri-Fly has had three major companies, like Meggatel, hire Veri-Fly Data Corp to verify that their new subscribers are following USAC's protocols and as well as the Notice of Proposed Rulemaking (NPRM)." In view of the fact that on September 10, 2012 Veri-Fly had only existed as a corporation for four days, it cannot be true that three major companies had already hired Veri-Fly.

9. On or about April 11, 2013, Evans filed paperwork with the United States Securities and Exchange Commission requesting covered securities status under Regulation D, Rule 506 for the securities issued by Meggatel.

10. On or about April 23, 2013, Evans caused Regulation D, Rule 506 notice of sales paperwork to be filed with the Department concerning the securities issued by Meggatel. However, as stated in paragraph 5 above, the first sale of Meggatel securities in Arkansas was on or about September 3, 2012.

Applicable Law

11. Ark. Code Ann. § 23-42-102(17)(A)(i) defines a promissory note as a security.

12. Ark. Code Ann. § 23-42-507(2) states that it is unlawful for any person, in connection with the sale of any security, directly or indirectly, to make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it was made, not misleading.

13. Ark. Code Ann. § 23-42-509(c)(1) and Rule 509.01(b) require that notice filings for covered securities be made no later than 15 days after the first sale in Arkansas.

14. Ark. Code Ann. § 23-42-209(a)(1)(A) states that whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the Commissioner, that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule or order under the Act, the Commissioner may summarily order the person to cease and desist from the act or practice.

Conclusions of Law

15. The promissory note offered and sold to AR1 by Boyd on behalf of Meggatel was a security as defined by Ark. Code Ann. § 23-42-102(17)(A)(i).

16. Boyd violated Ark. Code Ann. § 23-42-507(2), when he made misstatements and misleading statements to AR1 as detailed in paragraphs number 6 and 7.

17. Meggatel and Evans violated Ark. Code Ann. § 23-42-507(2) when they made misstatements and misleading statements to AR1 as detailed in paragraph number 8.

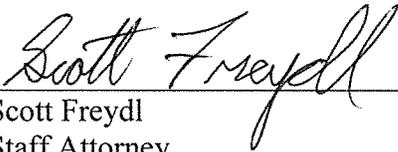
18. Meggatel and Evans violated Ark. Code Ann. § 23-42-509(c)(1) and Rule 509.01(b), when they made a notice filing that was 7 months past the 15 day filing requirement as detailed in paragraph 10.

19. The conduct, acts, and practices of Meggatel, Evans, and Boyd threaten immediate and irreparable public harm. A cease and desist order is in the public interest and is appropriate pursuant to Ark. Code Ann. § 23-42-209(a)(1)(A).

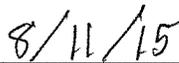
Prayer for Relief

WHEREFORE, the Staff respectfully requests that the Commissioner order Meggatel, Evans, and Boyd to immediately CEASE AND DESIST from offering and/or selling any securities in Arkansas through the use of misstatements and/or omissions of material information; and, for all other relief to which the Staff may be entitled.

Respectfully submitted,



Scott Freydl
Staff Attorney
Arkansas Securities Department



Date

Names (s) (Please Print or Type Clearly)

THE SECURITIES DESCRIBED AND/OR GRANTED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

LONG-TERM NOTE AGREEMENT

To: William W. Evans, President
Meggatel Corporation
5005 Colleyville Blvd., Suite 205
Colleyville, Texas 76034

The undersigned has received and read the Confidential Private Placement Memorandum (the "Memorandum") dated June 26, 2012, which offers Series B 9% Long-term Note (the "Note") with one and one half shares of Meggatel Common Stock granted lender as consideration for investment into the Note. Such granted Common Stock shall be issued to lender by Meggatel Corporation (the "Company"), a Nevada corporation. Terms used and not defined herein have the same meanings as in the Memorandum.

1. Loan of Capital, Term and Interest Rate Subject to the terms and conditions of this Long-term Note Agreement, (the "Agreement") and the provisions of the Memorandum, the undersigned hereby agrees to loan Meggatel Corporation the Sum of \$ 1,271,600 in the aggregate dollar amount. The number of shares of granted Common Stock to be issued to the undersigned shall be as set forth in the Memorandum (one and one half shares for each \$1USD loaned). The undersigned hereby agrees that this/her Loan Agreement shall be irrevocable and shall survive the death or disability of the undersigned. The undersigned is tendering 100% of the loan amount to which this Agreement relates herewith. The Maximum term of the Long-term Note is two (2) Years and the minimum term of the Long-term Note is one year. The Interest rate hereof is Nine Percent (9%) for the entire term of the Note and any extensions thereof.

2. Acceptance of Long-term Note. The undersigned acknowledges that the Company has the absolute right to accept or reject this Long-Term Note, in whole or in part. The undersigned agrees that Long-term Notes need not be accepted by Meggatel in the order received.

(c) In addition, the legend described in subparagraph (b) above will be placed with respect to any new certificate(s) or other document(s) issued upon presentment by the undersigned of certificate(s) or other document(s) for transfer.

8. Binding Effect. All rights and obligations under this Agreement shall be binding upon and inure to the benefit of the undersigned, his/her heirs, personal representatives and permitted transferees or assigns.

9. Governing Law. THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF TEXAS.

10. Validity and Severability. If any provision of this Subscription Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective during the term of this Subscription Agreement, such provision shall be fully severable; this Subscription Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision has never comprised a part of this Subscription Agreement; and the remaining provisions of this Subscription Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Subscription Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Subscription Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still be legal, valid, and enforceable.

11. Time of the Essence. Time is of the essence with regards to the performance by the parties of their respective obligations under this Subscription Agreement.

Please complete the following:

Amount Invested into Long-term Note: \$ 127,600.5

Number of Common Shares granted Investor: 192,000

Investors should make their checks payable to "Meggatel Corporation" The Long-term Note documents and check should be mailed to:

Meggatel Corporation
5005 Colleyville Blvd., Suite 205
Colleyville, TX 76034

IN WITNESS WHEREOF, the undersigned has executed this Long-term Note Agreement as of the 3rd day of September, 2012.

X [Redacted]
Signature of Investor

Signature of Investor

[Redacted]
Name(s) Typed or Printed

[Redacted]
Social Security Number or Taxpayer ID Number

[Redacted]
Address

Bella Vista, AR. 72715
City, State and Zip Code

479. [Redacted]
Telephone Number

ALTERNATE PAYEE INFORMATION (Complete if payments are to be made other than to the above named person to the address set forth above):

Alternate payee: _____
Name Typed or Printed

Alternate address: _____
Address

City, State Zip Code

ACCEPTED as of this 31st day of September, 2012

Meggatel Corporation

By: [Signature]
William W. Evans, President

NUMBER
012

SHARES
13000

Organized under the laws of the State of Nevada

Meggatel Corporation
Common Stock

Authorized Shares 50,000,000 - Par Value \$0.001 Per Share

This Certifies that

registered holder of One Hundred Ninety Two Thousand Shares

is the

of the fully paid and non-assessable Capital Stock of Meggatel Corporation

transferable only on the books of the Corporation by the holder hereof in person or by attorney upon surrender of this Certificate properly endorsed. In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed

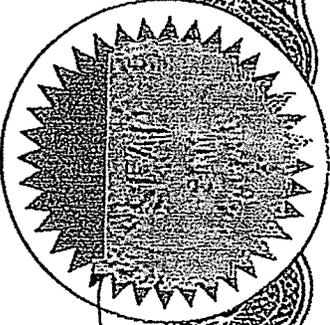
this 3rd day of September, 2012

W L W C

Secretary

W L W C

President



EXHIBIT

2

From: "Arnon Boyd" <amon@meggatel.com>
To: [REDACTED]
Sent: Friday, August 31, 2012 6:04 PM
Attach: MEGGATEL COMMITMENT LRT FINAL.pdf; Bus Card Design Final.docx; Diane_Dejoy_Resume.pdf
Subject: RE: New Meggatel investment
 Hi [REDACTED] :

Would next Tuesday afternoon work for y'all to have a conference call?

There is soooo many things happening right now, here is a few of the things that has changed since we last communicated:

- 1- We have met with the Native American leaders; Chief Bigpond (over 140 nations) and Dr. Jay Swallow (over 39 nations) The meetings have gone very well. They have agreed to sign a letter to the Oklahoma Utilities Commission requesting that they expedite our ETC license so we can start servicing Native American's in Oklahoma. They are also signing letters for Arizona and New Mexico as well and they have agreed to be on all three boards. I have attached our "Commitment Letter" for your review.
- 2- As you will see on the commitment letter, all the major players, including Peter Wagner, have agreed to be on the board of the trusts established to help Native American's and spread the gospel across this land. But Matt hooked up with some investors that tried to steal the company from him by not giving him sufficient resources to meet his obligations. His system is used to insure that people are not getting multiple phones and he is the ONLY one that has developed such a system that will ensure that subscribers are kept honest. Sooooo, once we get things in place, we are going to the Utility Commission of Arkansas and Oklahoma to introduce our system to them and we believe they will then make our system mandatory for other ETC providers to use Veri-Fly Data Corporation as the system for verifying that the people qualify for a free phone. Please note, that the government pays ETC companies like Meggatel \$9.25 per subscriber per month for giving a qualified person a free phone. Multiply that times a few million people. Then note that the government will pay an WTC company \$40 per month per subscriber if the subscriber is a Native American! ☺ We estimate that there are at least 3,000,000 people in Oklahoma that qualify. On top of this, we believe our designed system could be used to keep people from double dipping in Medicaid as well. So the states should be very excited to use our system. If they like it, and they should we will take this to the Federal side of this. NOTE: This just one company that our Lord has brought to us, and that company is owned by Meggatel ☺ So our stock holders of Meggatel not only get the income as an ETC provider, but also from Veri-Fly; probably another few million a year in income with potential for so much more if the government likes our system to eliminate double dipping.
- 3- Then we have a divine appointment with the governor of Kansas. We have been told he would like to visit with us about the Veri-Fly system for use in his state. If he likes it, then they, along with Oklahoma and Arkansas, will require all ETC companies to use Veri-Fly's verification system. If they don't of course Meggatel would be happy to take over their subscriber base ☺
- 4- So things are going extremely well. We are experiencing Favor everywhere we turn. Even the company that instituted Bill's business plan in Oklahoma, and made

8/31/2012

\$7,000,000 last month, has asked if we would like to buy them out because it is consuming too much of their time. They have other interests and companies to run. We will be in discussion with them next week to acquire their company, Assist Wireless, on a cash flow basis with nothing down.

- 5- So to sum up, we have been invited to give phones and provide service in Oklahoma, Arizona, New Mexico, Kansas, Montana, Wyoming, North and South Dakota, and Alaska. So there is no shortage of clients, just want to make sure we can provide good service where ever we go.
- 6- Again, I have set aside 3.5 million shares of Meggatel shares to be given to my clients. They will receive 1.5 Shares of Meggatel stock for every dollar invested covering the first \$2,000,000 invested. The next \$3,000,000 invested receives 1 share per dollar invested. And we are in negotiations with two investment firms that are in the final stages of completing their due diligence. I am closing in on \$1,680,000 from my client base, so the 1.5 shares per dollar are nearly gone. The offering is in 5 stages at \$1,000,000 offering for each stage; that being A shares, B shares, C shares, etc. Only the A & B share investors are rewarded with 1.5 shares per \$1 invested. Each Investor receives 9% interest paid quarterly on top of dividend income beginning in the second year. Although we make that an option. Investors can decide to either take the 9% interest or dividend income, whichever is paying the greater amount. Right now we are anticipating on having \$120,000,000 in EBITDA, per the summary plan you have. Out of that we are anticipating keeping \$60,000,000 in reserves and paying \$60,000,000 out to investors, less the 10% invested in Native America per our letter of commitment. In the third year, we anticipate paying out over \$150,000,000 to shareholders of record. In either case, we are anticipating returning our clients principle at the end of the third year.
- 7- I believe I have sent you Diane DeJoy's resume, she is the one I hired to do the due diligence on the Meggatel business plan and ProForma.

Look forward to hearing back if Tuesday afternoon is a good time for you.

Blessings and have a great weekend!

Arnon

From: Arnon-SBC [mailto:arnonboyd@sbcglobal.net]

Sent: Thursday, August 30, 2012 9:53 PM

To: arnon@meggatel.com

Subject: FW: New investment

From: Arnon-SBC [mailto:arnonboyd@sbcglobal.net]

Sent: Monday, August 27, 2012 1:42 PM

To: [REDACTED]

Subject: RE: New investment

Hi [REDACTED]:

We are headed to visit with Chief Bigpond and Dr. Jay Sallow in Oklahoma City tomorrow morning

We will have a better idea where this is headed and the timing of it all after this meeting

Will probably call you Wednesday to discuss the fruitfulness of that meeting

Blessings,
Arnon

From: [REDACTED]
Sent: Monday, August 27, 2012 11:43 AM
To: arnonboyd@sbcglobal.net
Subject: New investment

Hi Arnon,

We are ready to discuss when you are, just give us a call. Will be OOT Wednesday for sure and might possibly work other days driving as needed so let me know your plans.

Dave

No virus found in this message.
Checked by AVG - www.avg.com
Version: 2012.0.2197 / Virus Database: 2437/5232 - Release Date: 08/29/12

Meggatel Corporation

Your Complete Telecommunications Provider

EXHIBIT

3

September 10, 2012


Bella Vista, AR 72715

Dear ,

I wanted to take a moment to personally welcome you to the Meggatel family of investors and bring you up to date on management's progress in achieving our goals for 2012. Your investment and contribution to Meggatel's overall success, and the success of the mission given us, is greatly appreciated!

In the course of our daily operations, the federal government, through the work of the Universal Service Administration Company, (USAC) requires companies like Meggatel to verify that a person requesting a cell phone at no charge and subscription for monthly wireless telecommunications services qualify for other assistance programs and that Meggatel obtains such verification of such.

Heretofore, many companies have simply asked for the name and address of the person making the request. Subsequently, the USAC found that people cheat and end up with more than one phone. The same tricks are used by people seeking multiple incomes through the welfare system entitlement programs by applying in several states for the same benefits. Unfortunately, especially to those of us who pay our taxes only to see the government put up with fraud, waste and abuse of the entitlement program enrollees, states do not share information with one another and up until now not even our federal government has kept records or cross checked to make sure the applicant was not cheating the system. Well, Veri-Fly Data Corp, formally DataProc, has developed a software program that certifies the applicant so there are no overlapping subscriptions. As of this week Meggatel has purchased the assets and intellectual property of DataProc, LLC; <http://www.dataproc.com/>, and established Veri-Fly Data Corp. to hold the assets and continue to provide the services to former customers DateProc.

The significance of this purchase is that now USAC is striving to eliminate fraud, waste and abuse of the USAC funds that are intended to provide essential cell phone services to the truly needy and impoverished socio-economically deprived, legal citizens of our beloved United States. USAC will soon require all competitive ETCs, including Meggatel to use Veri-Fly Data's system which has been designed to insure there is no further double billing nor any other type of fraud, waste and abuse chipping away at the funds used to provide needed telecommunications services to the above stated target market-segment.

This week alone, Veri-Fly has had three major companies, like Meggatel, hire Veri-Fly Data Corp to verify that their new subscribers are following USAC's protocols and as well as the Notice of Proposed Rulemaking (NPRM).

We anticipate that Veri-Fly's October's income will be approximately \$60 to 80,000 for providing this service. Of course the fee Meggatel will pay Veri-fly for this service will be re-captured through the stock dividend payout, which means our stockholders will benefit from this acquisition in their dividend income checks.

Remember, in the second and third year, every stock holder will be given an opportunity to either receive their 9% interest income check, paid quarterly, or a dividend check, paid quarterly, for that year.

We are expecting that our investor dividend payout in the second year will far outweigh the 9% interest payment, but we allow our investors to make that decision.

Please keep this information confidential for none of our competition knows of DataProc/Veri-Fly transaction and we would like to keep it that way as long as possible.

In addition, we have made strong alliances with Native American leaders who are now working with us to establish marketing programs that will reach all tribal nations and develop a Native American support team to service our customers living on Native Lands. Two of the main leaders involved are Chief Negiel Bigpond, and Dr. Jay Swallow. Please feel free to check them out; we believe you will be impressed with their accomplishments.

Lastly, we have enclosed your Meggatel's stock certificate and Long Term Note Agreement. Please fill in the Note Questionnaire and mail back one signed copy to us and keep one for you. Please keep your stock certificate in a safe place, preferably in a safety deposit box at your local bank. Please note the transaction is not deemed completed until we have the signed Note Agreement.

We at Meggatel look forward to many years of prosperity; for us and those we serve. As always, should you have any questions, please do not hesitate to contact Arnon Boyd, Vice-President of Investor Relations.

Respectfully,



William "Bill" Evans
Chief Executive Officer

WE/yc
Cc: file