

BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF DELAWARE

IN THE MATTER OF:)
)
R. GRIGGS LEVY,)
THE WATER PROS, INC.,)
A business located at) Case No. 91-06-04
18 Boulden Circle)
Boulden Interchange Park)
New Castle, DE 19720,)
)
Respondents.)

CEASE AND DESIST ORDER

Legal Authority

The Delaware Division of Securities ("Division") is a unit within the Department of Justice directed by the Securities Commissioner ("Commissioner") under the auspices of the Attorney General pursuant to the Delaware Securities Act ("Act"), Chapter 73, Title 6 of the Delaware Code.

The Commissioner is charged under Del. C. sec. 7325 with enforcement of the provisions of the Act and is authorized under subsection (c) to summarily issue a cease and desist order against any person who has violated this Act by failing to register or engaging in fraud or other prohibited conduct.

Section 7313 of the Act states that it is unlawful for any person to transact business in this State as a broker-dealer, investment adviser, or agent unless he is registered under the Act.

Section 7304 of the Act provides that it is unlawful for any person to offer or sell any security in this State unless it is registered under the Act or the security or transaction is

exempted under 6 Del. C. sec. 7309.

Section 7303 of the Act provides that it is unlawful for any person in connection with the offer, sale or purchase of any security, directly or indirectly, to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.

Notice of Allegations

1. On or about June 17, 1991, _____, a Delaware resident, lodged a complaint with the Division, alleging that R. Griggs Levy ("Levy") failed to honor the terms of a Stock Purchase Agreement dated September 19, 1990 wherein _____ paid \$25,000 for common stock in The Water Pros, Inc., supposed to amount to a twenty-five percent (25%) interest in The Water Pros, Inc.

2. _____ alleges that, despite her demands, she has not received a stock certificate evidencing her ownership interest or any other document referencing this ownership position. _____ further alleges that she has not received the agreed upon override on each installed water treatment unit as called for in the Stock Purchase Agreement.

3. The Division has in its possession a copy of the Stock Purchase Agreement in question, and the transaction

described therein constitutes a "sale" of a "security" as those terms are defined in 6 Del. C. section 7302.

4. A check of the Division's records revealed that the security in question was not registered for sale in Delaware, nor was it specifically exempted from registration. Also, no informational filing pursuant to the limited offering exemption is on file with the Division.

5. There is no record with the Division that shows that Levy is registered in the State of Delaware either as a Broker-Dealer or as a Broker-Dealer agent as required by 6 Del. C. ch. 73.

6. The Division has reason to believe that other, as yet unknown, residents of the State of Delaware might also have turned over money to Levy for investment in securities.

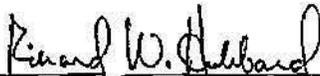
7. Based on the foregoing, the Division alleges that respondent has willfully violated 6 Del. C. sections 7303, 7304 and 7313.

8. Continued illegal and fraudulent sales of securities by respondent would threaten great harm to Delaware investors, and it is in the public interest that respondent, his employees, agents, and any and all other persons acting under his control or at his direction, be summarily ordered by the Commissioner to cease and desist from further violations of the Act.


W. Michael Tupman
Deputy Attorney General

Dated: August 29, 1991

Any violation of this order is punishable by criminal sanctions pursuant to 6 Del. C. section 7325(c).


Richard W. Hubbard
Securities Commissioner

Dated: August 29, 1991