COMMONWEALTH OF KENTUCKY
ENVIROMENTAL AND PUBLIC PROTECTION CABINET
DEPRATMENT OF PUBLIC PROTECTION
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2007-AH-498

COMMONWEALTH OF KENTUCKY, EX. REL.,
THE EXECUTIVE DIRECTOR OF THE
OFFICE OF FINANCIAL INSTITUTIONS PETITIONER

V.

VOICE ,VIDEO & DATA SERVICES, INC.,
RUSSELL E. PRESTON, PRESIDENT RESPONDENTS

AGREED ADMINISTRATIVE ORDER

Petitioner, the Executive Director of the Office of Financial Institutions, and Respondent, Voice, Video & Data Services, Inc., by and through its President, Russell Preston, hereby enter into this Agreed Administrative Order upon the following terms and conditions:

Stipulation of Facts

1. The Office of Financial Institutions (the "Office") is the agency of Kentucky state government charged with regulation and enforcement of the provisions of the Securities Act of Kentucky, KRS Chapter 292 (the "Securities Act"), and the rules, regulations and orders enacted pursuant thereto.

2. The Respondent, Voice, Video & Data Services, Inc. (the "Company") is a Wyoming corporation located in Kentucky and having its principal place of business 111 S. Mulberry Street, Elizabethtown, Ky. 42701.

3. The Respondent, Russell E. Preston, is the President of the Company.

4. On August 3, 2007, investigators with the Division of Securities of the Office interviewed Preston concerning the securities activities of the Respondents. Preston indicated that beginning in 2006, he sold securities issued by the Company to approximately 30 to 50 investors. He further indicated that the total sales of the securities amounted to $30,000 to $50,000. Preston stated that the Company was relying on Regulation D, Rule 506; however, he indicated that no filing was made with the U.S. Securities and Exchange Commission (the "SEC") or any state related to the sales of the Company's securities.

5. On August 14, 2007, the Office received a Form D filing related to the Company's offering of securities. The Form D indicated that the amount of the Company's securities already sold totaled $1,328,079.03. The Form D also indicated that the securities may be sold to non-accredited investors; however, the offering document provided to the Office by the Respondents did not contain audited financial statements of the Company as required by Rule 506 for sales to non-accredited investors. The offering document also omitted other material information.

6. The Form D filing for the Company's offering was not filed within 15 days after the first sale of securities as required by KRS 292.327(2).

7. The information contained in the Form D relating to the dollar amount of the Company's stock sold to investors was significantly and materially different from the representations previously made by Preston to investigators for the Office in August, 2007.

8. The deficiencies in the offering document provided to the Office by the Respondents indicate the securities issued by the Company and sold to investors do not qualify as "Covered Securities" under Section 18(b)(4)(D) of the Securities Act of 1933.

9. On September 13, 2007, the Office entered a Stop Order against Respondents in Agency Case No. 2007-AH-498. The Stop Order provided that "Based on the apparent significant and material inconsistencies in the amount of securities sold to investors as indicated by Mr. Preston and as indicated in the Form D, the admission that the Form D was not filed with the Office within 15 days of the first sale of these securities, and apparent deficiencies in the Company's offering materials, the Executive Director of the Office finds that the Respondents have failed to comply with the conditions of KRS 292.327(2) and it is in the public interest to stop the sale of additional securities by the Respondents. Therefore, pursuant to KRS 292.327(4), the Executive Director ORDERS the Respondents to cease the offer and sale of stock issued by Voice, Video and Data Services, Inc."

10. Respondents acknowledge that they have violated the terms of the Stop Order by continuing to offer and sell securities subsequent to the entry of the Stop Order and have continued to solicit investors in the Company, via its website and otherwise, in Kentucky and at least eighteen (18) other states subsequent to the entry of the Stop Order.

11. Respondents further acknowledge that certain information furnished to the Office by Respondents, including its shareholders list, was incomplete and materially inaccurate and misleading. Specifically, the investors list furnished by the Company was incomplete and misleading in that it failed to list, identify or disclose additional investors located in other states including Indiana, Illinois, Idaho, West Virginia, Washington,

Arizona, California, Florida, Mississippi, Tennessee, Colorado, Ohio, Wyoming, North Carolina, Wisconsin, Georgia, South Carolina, Louisiana, and Virginia.

12. Respondents further acknowledge that the investors list furnished by the Company was inaccurate and misleading in that it shows the dates of certain stock sales to Iowa investors as having occurred prior to the date of entry of the Stop Order when, in fact, such sales occurred after the date of entry of the Stop Order, specifically on September 18, 2007 (entries 440 and 561) and September 29, 2007 (entries 816, 817, 818).

Stipulation of Law

15. Russell Preston, Individually and on behalf of Respondent, Voice, Video & Data Services, Inc., admits that Respondents have offered and sold unregistered, non-exempt and non-covered securities in Voice, Video & Data Services, Inc. in violation of KRS 292.340.

16. Russell Preston, Individually and on behalf of Respondent, Voice, Video & Data Services, Inc., admits that Respondents have, in documents filed with the Office in this proceeding, made statements which were, at the time and in light of the circumstances under which they were made, materially false or misleading in violation of KRS 292.440.

Stipulated Order

1. The Respondents, jointly and severally, are assessed a fine of Ten Thousand Dollars ($10,000.00) for violations of the Securities Act and for violating the Stop Order previously entered herein. Said fine is due and payable upon entry of this Order.

2. The Respondents agree to furnish the Office of Financial Institutions, within thirty (30) days of entry of this Order, a full and complete list of its investors, their names, addresses, number of shares purchased, dates of purchase, and amount of purchase, and to promptly correct any material misstatements previously made to the Office by the Company or any of its agents or representatives.

3. In lieu of offering rescission to the investors, Respondents agree that in the event that the Company is sold to or purchased by any third party, whether structured as a stock transaction or a sale of assets, any cash proceeds from such a sale first be applied to any investors or shareholders who purchased shares in violation of the Securities Act and the Stop Order in the same proportion as each investors' investment in the Company's securities bears to the total investment by all investors excluding Respondents..

4. The Respondents agree that the Company shall permanently cease and desist from any further violations of the Securities Act and make no further solicitations or sales of shares of stock or other securities issued by the Company, unless and until the Company has complied with all statutes, regulations, orders, or rules of the Division of Securities of the Office of Financial Institutions relative to the offer or sale of securities.

5. The Office retains jurisdiction of this matter for the purpose of enforcing any of the terms of this Order and to ensure the Company's compliance therewith.

Entered this 22 day of April, 2008.

CORDELL G. LAWRENCE
Executive Director
Office of Financial Institutions

Have Seen and Agreed To:

James Strode
Director, Division of Securities

Russell Preston, Individually

Voice, Video & Data Services, Inc.
By Russell Preston, President