

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: UNLIMITED CASH, INC. AND)
DOUGLAS NETWORK ENTERPRISES)
LLC, THEIR OFFICERS, DIRECTORS,)
EMPLOYEES, AGENTS,) File Number 0300797
AFFILIATES, SUCCESSORS)
AND ASSIGNS)

ORDER OF PROHIBITION AND FINE

TO THE RESPONDENT: Unlimited Cash, Inc.
130 Lombard St.
Oxnard, California 93030

C/o Pamela J. Naughton
Sheppard, Mullin, Richter, and Hampton, LLP
San Diego, California 92130-3051

Douglas Network Enterprises
130 Lombard St.
Oxnard, California 93030

C/o Richard Watts
Milestone, Peterson, and Watts
2267 Lava Ridge Court, Suite 210
Roseville, California 95765

WHEREAS, the record of the above-captioned matter has been reviewed by the Secretary of State or his duly authorized representative;

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State;

WHEREAS, the proposed Findings of Facts and Conclusions of Law and Recommendation of the Hearing officer, John K. Ellis, in the above-captioned matter have been read and examined; and

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WHEREAS, the proposed Findings of Fact are correct and are adopted by the Secretary of State as follows:

1. The pleading and Exhibits have been offered and received from the Department and a proper record of all proceedings has been made and preserved as required by law.
2. The Hearing Officer has ruled on all motions and objections timely made and submitted.
3. The Hearing Officer and the Secretary of State Securities Department have jurisdiction over the parties herein and the subject matter dealt with herein, due and proper notice having been previously given as required by statute in these matters.
4. As no Answers were filed, the Respondents are therefore deemed to be in default.
5. That Unlimited Cash, Inc. ("UCI") is a purported California corporation with a last known address of 130 Lombard St., Oxnard, California 93030.
6. That Douglas Network Enterprises ("DNE") is a purported California Corporation with a last known address of 130 Lombard St., Oxnard, California 93030.
7. That from on or about January 2002 through May 2005 UCI and DNE offered and sold investments in Money Voucher Machines and Ad Toppers to about 140 Illinois investors and raising over \$5 Million dollars from these Illinois investors.
8. Money Voucher Machines were devices that dispensed vouchers to be used for cash like Automatic Teller Machines. Ad Toppers were computer monitors to display advertisements and were placed on top of Money Vouchers Machines or other venues.
9. Money Voucher Machines and Ad Toppers were marketed and sold as an investment with a purchase agreement to buy Money Voucher Machines, Ad Toppers or both and a

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Servicing Agreement for the Money Voucher Machines and Ad Toppers.

10. In all cases, investors purchased Money Voucher Machines and/or Ad Toppers from UCI and also entered into a Servicing Agreement for their machines from DNE.
11. As part of the Servicing Agreement from DNE, investors were promised to receive a monthly payment from advertising revenue of at least \$54 per month per machine which represented a return on investment of 16%.
12. That Section 2.5 of the Act (815 ILCS 5/2.5) defines the term "Sale or Sell" to include the full meaning of that term as applied by or accepted in the courts of this State, and shall include every contract of sale or disposition of a security or interest in a security of value.
13. That Section 2.5a of the Act (815 ILCS 5/2a) defines the term "Offer" to include every offer to sell or otherwise dispose of, solicitation of an offer to purchase, a security or interest in a security for value; provided that the term "Offer" shall not include preliminary negotiations or agreements between an issuer and any underwriter or among underwriters who are or are to be in privity of contract with an issuer, or a the circulation or publication of an identifying statement or circular or preliminary prospectus, as defined by rules or regulations of the Secretary of State.
14. That the above-referenced sales of Money Voucher Machines and/or Ad Toppers together with the Servicing Agreements constituted an investment contract and therefore are securities as that term is defined pursuant to Section 2.1 of the Illinois Securities Law [815 ILCS 5/1 et seq.] (the "Act").
15. That Section 5 of the Act provides, inter alia, that all securities except those set forth under Section

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2a, or those exempt under Section 3, or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.

16. That at all times relevant hereto, the investment contracts issued by UCI and DNE to investors were not registered with the Secretary of State pursuant to Section 5 of the Act prior to their offer or sale in the State of Illinois.
17. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell any securities except in accordance with the provisions of the Act.
18. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document required to be filed under any provision of the Act.
19. That at all times relevant hereto, UCI and/or DNE failed to file an application for registration of the above referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois.
20. That by virtue of the foregoing, UCI and DNE have violated Sections 12.A and 12.D of the Act.
21. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State.
22. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act.

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23. That by virtue of the foregoing, UCI and DNE are subject to a fine of up to \$10,000.00 per violation and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.
24. The entry of a Final Order of Prohibition is proper in this case, given the conduct of the Respondents as described in Secretary of State Exhibits No. 1-9, as well as the fact that the Respondents failed to appear at the hearing and properly answer the Notice of Hearing.

WHEREAS, the proposed Conclusions of Law are correct and are adopted by the Secretary of State as follows:

1. After proper notification, the Department may proceed with a hearing in Respondents absence. Significantly, the Notice of Hearing outlines that a default judgment may be entered against a Respondent who fails to appear or answer the charges.
2. The actions, representations, and/or omissions of the Respondents made in connection with the failure to offer or sell any security in accordance with the provisions of the Act are violations of Section 12.A of the Act. The actions, representations, and/or omissions of the Respondents made in connection with the failure to file required documents with the Secretary of State are violations of Section 12.D of the Act.
3. That by virtue of the foregoing the Respondents are subject to an Order of Revocation and an Order of Permanent Prohibition in the State of Illinois, a fine of up to \$10,000 per violation and or granting such other relief as may be authorized under the Act; and
4. Because of the Findings of Fact, the pleadings and Exhibits, as well as the fact that the Respondents failed to answer the Notice of Hearing or appear at the hearing, the entry of a written Order of

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Prohibition pursuant to Section 11.E(2) of the Act that permanently prohibits the offer or sale of securities by the Respondents in the State of Illinois and the imposition of a fine on the Respondents pursuant to Section 11.E(4) of the Act for multiple violations of the Act in the amount of \$75,000 with joint and several liability thereon, is proper in this Matter.

WHEREAS, the proposed Recommendations of the Hearing Officer are adopted by the Secretary of State;

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to the foregoing Findings of Fact, Conclusions of Law, and the Recommendations of the Hearing Officer:

1. The Respondents are permanently prohibited from offering or selling securities in the State of Illinois.
2. The Respondents are fined \$75,000 (with joint and several liability) to be paid within ten (10) days of the date of entry of this Order.

ENTERED: This 2nd day of March, 2007



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

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This is a final order subject to administrative review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq. and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:
David Finnigan
Illinois Securities Department
300 W. Jefferson St., Suite 300A
Springfield, Illinois 62702
Telephone: (217) 785-4947