

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: NETWORK FRANCHISING, INC., )  
A/K/A SUCCESS SYSTEMS, )  
ITS OFFICERS, DIRECTORS, )  
EMPLOYEES, AGENTS, AFFILIATES, ) File No. 0600578  
SUCCESSORS AND ASSIGNS, )  
AND PATRICK WHERLEY )  
)

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ORDER TO CEASE AND DESIST

TO THE RESPONDENT: Patrick Wherley  
Network Franchising, Inc.  
Success Systems  
C/O Daniel J. Block, Esq.  
Robinson, Waters and O'Dorisio  
1099 18<sup>th</sup> Street, 26<sup>th</sup> Floor  
Denver, Colorado 80202

Patrick Wherley  
Network Franchising, Inc.  
Success Systems  
6238 Red Canyon Drive #A  
Littleton, Colorado 80130

WHEREAS, a Summary Order to Cease and Desist was issued by the Secretary of State on October 25, 2007, ordering Network Franchising, Inc., a/k/a/ Success Systems, its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Patrick Wherley, to cease and desist from offering and/or selling any business opportunity in the State of Illinois until further order of the Secretary of State.

WHEREAS, pursuant to Section 5-65(1) of the Business Opportunity Sales Law of 1995, [815 ILCS 602 5/1 et seq.] (the "Act"), the failure to request a hearing within thirty (30) days of the receipt of the Summary Order to Cease and Desist shall constitute a sufficient basis to make the Summary Order final.

WHEREAS, Network Franchising, Inc., a/k/a/ Success Systems, its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Patrick Wherley, has failed to request a hearing on the matters contained in

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the Summary Order within thirty (30) days of receipt of said Summary Order and that they are hereby deemed to have admitted the facts alleged in the said Summary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Summary Order as the Secretary of State's Final Findings of Fact as follows:

1. That the Respondent, Network Franchising, Inc., a/k/a/ Success Systems (hereinafter, "Network Franchising"), is a purported business entity with a last known address of 6238 Red Canyon Drive #A, Littleton, Colorado 80130;
2. That, at all times relevant the Respondent Patrick Wherley was president of Network Franchising;
3. That on or about January 4, 2006, Respondent Network Franchising, by and through its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Patrick Wherley, offered and/or sold to JW and JW, Illinois residents, an opportunity to purchase supplies, equipment or services purportedly sufficient to enable the Illinois residents to start a business, including, but not limited to, a business opportunity agreement, a training program, and gumball vending machines with associated vending software in return for total payments in the amount of \$15,295;
4. That Respondent Network Franchising, by and through its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Patrick Wherley, represented to the Illinois residents, either directly or indirectly, that it would provide a marketing plan;
5. That Section 5-5.10(a) of the Illinois Business Opportunity Sales Law of 1995, [815 ILCS 602 5-1 et seq.] (the "Act") provides, inter alia, that a business opportunity is a contract or agreement, between a seller and a purchaser, express or implied, orally or in writing, wherein it is agreed that the seller or a person recommended by the seller shall provide to the purchaser any product, equipment, supplies or services enabling the purchaser to start a business when the purchaser is required to make a payment to the seller or a person recommended by the seller and the seller represents

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directly or indirectly, orally or in writing, that the seller will provide a marketing plan;

6. That the above-referenced promotion, solicitation or offer constitutes an offer and/or sale of a business opportunity as those terms are defined pursuant to Sections 5-5.10 and 5-5.20 of the Act;
7. That Section 5-25 of the Act provides, inter alia, that it is unlawful for any person to offer or sell any business opportunity in the State of Illinois unless that business opportunity is registered under the Act or is exempt from registration under Section 5-10 of the Act;
8. That Section 5-95 (b)(1) of the Act provides, inter alia, that no person shall, either directly or indirectly, offer or sell any business opportunity without registration under this Act unless the person offering or selling the opportunity is exempt under the Act;
9. That at all times relevant, Respondent Network Franchising, by and through its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Patrick Wherley, failed to obtain or file for registration of the above-referenced business opportunity prior to any offer or sale in the State of Illinois;
10. That Section 5-65 of the Act provided, inter alia, that if the Respondent to a Summary Order to Cease and Desist fails to request a hearing within time period specified, the cease and desist order will be permanent and the person named in the order will be deemed to have waived all rights to a hearing;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Summary Order as the Secretary of State's final Conclusions of Law as follows:

1. That, by virtue of the foregoing, Respondent Network Franchising, by and through its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Patrick Wherley, has violated Section 5-25, and 5-95 (b)(1) of the Act;
2. That, by virtue of the foregoing, Respondent Network Franchising, by and through its Officers, Directors,

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Employees, Agents, Affiliates, Successors and Assigns, including Patrick Wherley, is subject, pursuant to Section 5-65 of the Act, to an Order to Cease and Desist from offering and/or selling business opportunities in the State of Illinois.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 5-65 of the Act, Respondent Network Franchising, by and through its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, including Patrick Wherley, is to Cease and Desist from offering or selling business opportunities in the State of Illinois or to residents of the State of Illinois.

ENTERED: This 29<sup>th</sup> day of November, 2007.



JESSE WHITE  
SECRETARY OF STATE  
STATE OF ILLINOIS

Attorney for the Secretary of State:

Johan Schripsema  
Illinois Securities Department  
350 Seright, Suite C  
Harrisburg, Illinois 62946

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 5-115(a) of the Business Opportunity Law of 1995 [815 ILCS 602] (the ("Act")). Any person or entity that 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 3 felony.

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.