

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: Douglas Brandau; Ron Kimball

FILE NO. 0500387

AMENDED NOTICE OF HEARING

**TO RESPONDENTS: Douglas Brandau
C/o Mazyar Hedayat
17845 Ridge Road
Sterling, IL 61081**

**Ron Kimball
1009 Fifth Street Court
Erie, Illinois 61250**

You are hereby notified that pursuant to Section 11.E of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 17th day of September, 2008, at the hour of 10:00 a.m., or as soon as possible thereafter, before Soula Spyropoulos, Esq. or such duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered pursuant to Section 11.E of the Act prohibiting Respondent from selling or offering for sale securities in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to 11.E(4) of the Act, payable within 10 (ten) days of the Order.

The grounds for such proposed action are as follows:

COUNT I:

**Failure to Conduct Due Diligence In Connection With Securities Respondents
Recommended to Investors**

1. Respondent, Douglas Brandau (hereinafter "Brandau") has a last known address of 17845 Ridge Road, Sterling, IL 61081.
2. Respondent, Ron Kimball (hereinafter "Kimball") has a last known address of 1009 Fifth Street Court, Erie, Illinois 61250.

3. Respondent Kimball at all relevant times was an independent insurance agent.
4. Respondent Douglas Brandau at all relevant times was hired by Kimball as an independent contractor to solicit investors.
5. Unlimited Cash Inc., (hereinafter "Unlimited Cash") is a California corporation with a last known address of 130 Lombard St. Oxnard, CA 93030.
6. Douglas Networking Enterprises Inc., (hereinafter "Douglas Networking Enterprises") is a California corporation with a last known address of 130 Lombard St. Oxnard, CA 93030.
7. That on August 5th, 2004 Kimball entered into an agreement with Unlimited Cash Inc. whereby Kimball agreed to solicit sales of Advertising Toppers from prospective purchasers.
8. In exchange for Kimball soliciting prospective purchasers, Unlimited Cash Inc. agreed to compensate Kimball in the amount of 12% to 16% of the dollar amount of the aggregate sales of Advertising Toppers.
9. Between August of 2004 and March of 2005, Respondents sold Advertising Toppers to more than one Illinois investor.
10. The Advertising Toppers are essentially color computer monitors that allegedly can be placed on product displays, ATM.s and other fixtures in retail establishments.
11. By themselves, the Advertising Toppers have little or no value to the investors solicited by Respondents, since these investors lacked interest in buying the machines alone, finding and contracting retail locations to place them, learning how to program them to run advertisements, servicing and maintaining them, canvassing the market for paying advertisements or billing for and collecting advertising revenues.
12. Rather, investors wanted passive investments that would guarantee them annual returns and the ability to get back their principal.
13. For this reason Respondents and Unlimited Cash Inc. marketed the Advertising Toppers as a single package consisting of a machine (from Unlimited Cash Inc.) and a servicing agreement from a company called Douglas Networking Enterprises.
14. At the time of making the investment, investors simultaneously executed two interrelated contracts.
15. First, investors entered into a contract with Unlimited Cash Incorporated, called the Unlimited Cash Incorporated Advertising Topper Purchase Agreement ("UCI Agreement"), which promised investors ownership of an Advertising Topper machine that Unlimited Cash would build.

16. Second, investors entered into a service agreement with Douglas Networking Enterprises, called the Operation and Maintenance Agreement (“DNE Agreement”).
17. Under the DNE Agreement, Douglas Networking Enterprises was to receive a percentage of the advertising revenues generated by each machine. The DNE Agreement also promised investors at least \$54 pr month per machine, which equaled a 16% return. DNE Agreement also provided that after 3 years the investor could sell their machines back to Douglas Networking Inc at the original price
18. The DNE Agreement represented that Douglas Networking Enterprises would: receive the purchased Advertising Topper from Unlimited Cash Inc.; place the Advertising Topper at desirable locations; arrange to install the machine; provide all monitoring, repair and maintenance service; sell available advertising space on the machine; collect monthly advertising revenues; and distribute the promised returns to investors.
19. The investors’ role in the investment opportunity was to be totally passive. Investors did not place, service or collect revenue from Advertising Toppers and had no involvement in securing the advertising from which returns were to be generated. Investors relied entirely on Unlimited Cash Inc. to generate investment returns.
20. Once an investor chose to invest in the program, he or she completed the Unlimited Cash agreement and the DNE Agreement and an Unlimited Cash purchase order and gave the check to Respondents.
21. Respondents then mailed the Agreements and purchase orders to Unlimited Cash Inc.
22. Respondents’ activities described above involve the sale of a security as that term is defined in Sections 2.1 and 2.5 of the Act.
23. Respondents did not conduct any meaningful due diligence in evaluating the financial strength and competency of Unlimited Cash Inc. before recommending the purchase of Advertising Toppers to Illinois investors.
24. Respondents did not conduct any meaningful due diligence in evaluating the financial strength and competency of Douglas Networking Enterprises before recommending the purchase of Advertising Toppers to Illinois investors.
25. That on April 3, 2006 the Securities and Exchange Commission filed a complaint in the Northern District of Texas alleging that Douglas Networking and Unlimited Cash were running a Ponzi scheme in connection with the sales of the Advertising Topper

machines. In fact, all the returns that were paid to investors did not come from advertising revenue but from new investor funds.¹

26. Had the Respondents conducted any meaningful due diligence into the products they recommended and sold they would have discovered that the claims made by Douglas Networking Enterprises and Unlimited Cash were false.
27. Had the Respondents conducted any meaningful due diligence into the products they recommended and sold they would have discovered that the Advertising Topper investment was in fact a Ponzi scheme and that any returns that were paid to investors did not come from advertising revenue but from new investor funds.
28. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
29. That by virtue of the activity in paragraphs 1-27, Respondent violated Section 12.F of the Act.
30. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
31. That by virtue of the activity in paragraphs 1-27, Respondent violated Section 12.G of the Act.

COUNT II:

Failure to Sell Securities In Accordance With the Provisions of the Act

32. At no time were either of Respondents registered to sell securities in the State of Illinois.
33. The Advertising Topper product itself was never registered with the Secretary of State.
34. No filing of any report by either of the Respondents was made in reliance upon any exemption provided by the Illinois Securities Law for registration of the Note.

¹ As a result of the complaint filed by the SEC, on July 7th, 2006 Unlimited Cash and Douglas Networking both entered into an agreed order of permanent injunction whereby Unlimited Cash was permanently enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5.

35. 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 security except in accordance with the provisions of this Act.
36. That by virtue of the activity in paragraphs 1-33, Respondent violated Section 12.A of the Act.


You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, a Special Appearance pursuant to Section 1107 of the Rules, or other responsive pleading within thirty (30) days of receipt of this notice. Your failure to do this within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default by you.

The Rules promulgated under the Act and pertaining to Hearings held by the office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/lawrules.html>.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 25th day of July, 2008.


JESSE WHITE
Secretary of State
State of Illinois

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