

1 following Order, to which Respondent **BOEDEKER** has consented, as evidenced by the
2 Consent to Entry of Order attached hereto.

3 **FINDINGS OF FACT**

4 The Director **FINDS** that:

5 **Part One: The Respondents**

6 1. Respondents sold investments in the **UNLIMITED CASH** and **DOUGLAS**
7 **NETWORK ENTERPRISES** “money voucher processor” investment program from July,
8 2000 through March, 2001. (Unless otherwise stated, all allegations with respect to the “money
9 voucher processor” program refer to this time frame.) The **UNLIMITED CASH** and
10 **DOUGLAS NETWORK ENTERPRISES** “money voucher processor” investment program
11 had two components: first, investors purchased “money voucher processors” (a machine similar
12 to an ATM) from **UNLIMITED CASH**; second, investors concurrently contracted with
13 **DOUGLAS NETWORK ENTERPRISES** to operate the same machines on their behalf in
14 exchange for a monthly payment to investors.

15 2. Respondents also sold investments in the **UNLIMITED CASH** and **DOUGLAS**
16 **NETWORK ENTERPRISES** “ad topper” investment program from April, 2001 through July,
17 2005. (Unless otherwise stated, all allegations with respect to the “ad topper” program refer to
18 this time frame.) The **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** “ad
19 topper” investment program had two components: first, investors purchased “ad toppers”
20 (commercial advertising display screens) from **UNLIMITED CASH**; second, investors
21 concurrently contracted with **DOUGLAS NETWORK ENTERPRISES** to operate the same
22 machines on their behalf in exchange for a monthly payment to investors.

23 3. **UNLIMITED CASH** is a California for profit corporation that conducts business
24 from 130 Lombard Street, Oxnard, California 93012. **UNLIMITED CASH** manufactured
25 equipment and sold investments in “money voucher machine” and “ad topper” machines to
26 Oregon residents.

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



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Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 4. **UNLIMITED CASH** has never been registered with the Oregon Secretary of State as
2 an out-of-state corporation authorized to conduct business in the State of Oregon.

3 5. **UNLIMITED CASH** has never been licensed as a broker-dealer in this State, and
4 was not authorized to sell securities in Oregon.

5 6. **FLESHER** is the Chief Executive Officer and sole shareholder of **UNLIMITED**
6 **CASH. FLESHER** conducts business from 130 Lombard Street, Oxnard, California 93012.

7 7. **FLESHER** has never been licensed as a broker-dealer salesperson in this State, and
8 was not authorized to sell securities in Oregon.

9 8. **DOUGLAS NETWORK ENTERPRISES** is a California for profit corporation that
10 conducts business from 517 Calle San Pablo, Camarillo, California 93012. **DOUGLAS**
11 **NETWORK ENTERPRISES** sold investments in "money voucher machine" and "ad topper"
12 equipment to members of the public, and claimed to operate the machines on investors' behalf.
13 On information and belief, **DOUGLAS NETWORK ENTERPRISES** is a corporate subsidiary
14 of **UNLIMITED CASH** and/or is controlled by **UNLIMITED CASH**.

15 9. **DOUGLAS NETWORK ENTERPRISES** has never been registered with the
16 Oregon Secretary of State as an out-of-state corporation authorized to conduct business in the
17 State of Oregon.

18 10. **DOUGLAS NETWORK ENTERPRISES** has never been licensed as a broker-
19 dealer in this State, and was not authorized to sell securities in Oregon.

20 11. **KHALIAL** is the Chief Executive Officer and sole shareholder of **DOUGLAS**
21 **NETWORK ENTERPRISES**. On information and belief, **KHALIAL** is also an employee of
22 **UNLIMITED CASH. KHALIAL** conducts business from 517 Calle San Pablo, Camarillo,
23 California 93012.

24 12. **KHALIAL** has never been licensed as a broker-dealer salesperson in this State,
25 and was not authorized to sell securities in Oregon.

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Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 13. **RUTTENBERG AND ASSOCIATES MVP** is an Illinois for profit corporation
2 that conducts business from 1603 Visa Drive, Suite 4, Normal, Illinois 61761. **RUTTENBERG**
3 **AND ASSOCIATES MVP** recruited and managed the sales agents that sold investments in
4 “money voucher machine” business equipment to Oregon residents on behalf of **UNLIMITED**
5 **CASH** and **DOUGLAS NETWORK ENTERPRISES**.

6 14. **RUTTENBERG AND ASSOCIATES MVP** has never been registered with the
7 Oregon Secretary of State as an out-of-state corporation authorized to conduct business in the
8 State of Oregon.

9 15. **RUTTENBERG AND ASSOCIATES MVP** has never been licensed as a
10 broker-dealer in this State, and was not authorized to sell securities in Oregon.

11 16. **RUTTENBERG** is the Chief Executive Officer and sole shareholder of
12 **RUTTENBERG AND ASSOCIATES MVP**. **RUTTENBERG** conducts business from 1603
13 Visa Drive, Suite 4, Normal, Illinois 61761.

14 17. **RUTTENBERG** has never been licensed as a broker-dealer salesperson in this
15 State, and was not authorized to sell securities in Oregon.

16 18. **GEBAROWSKI** sold investments in the **UNLIMITED CASH** and **DOUGLAS**
17 **NETWORK ENTERPRISES** “money voucher machine” program to Oregon residents. He
18 conducts business from 22616 SE Morrison Street, Gresham, Oregon 97030.

19 19. **GEBAROWSKI** has never been licensed as a broker-dealer salesperson in this
20 State, and was not authorized to sell securities in Oregon.

21 20. **COVELLI** sold investments in the **UNLIMITED CASH** and **DOUGLAS**
22 **NETWORK ENTERPRISES** “money voucher machine” program to Oregon residents. He
23 conducts business from 7515 SW 208th Place, Aloha, Oregon 97007.

24 21. **COVELLI (CRD #2073441)** was licensed as a broker-dealer salesperson in this
25 State from June, 1990 to March, 1998, but was not authorized to sell securities in Oregon from
26 July, 2000 to March, 2001, the period of time during which he sold investments in the

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Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** “money voucher
2 machine” program.

3 22. **BOEDEKER** sold investments in the **UNLIMITED CASH** and **DOUGLAS**
4 **NETWORK ENTERPRISES** “ad topper” machine program to Oregon residents. He conducts
5 business from 2235 Broadway, Post Office Box 348, North Bend, Oregon 97459.

6 23. **BOEDEKER** has never been licensed as a broker-dealer salesperson in this
7 State, and was not authorized to sell securities in Oregon.

8 **Part Two: The “Money Voucher Machine” Program**

9 24. **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** sold
10 investments in what Respondents called “money voucher machines”, also referred to as “money
11 voucher processors.” This machine, generically known as a “scrip machine” or “script machine”,
12 has the appearance of an ATM but, instead of dispensing currency, the unit issues vouchers that
13 may be used exclusively at a single merchant. A retail customer using the **UNLIMITED CASH**
14 “money voucher machine” paid a flat service charge of \$1.50 per transaction.

15 25. Prospective investors were told that **UNLIMITED CASH** manufactured and
16 sold the “money voucher machine” while **DOUGLAS NETWORK ENTERPRISES** located,
17 operated, and serviced the machine, and also remitted monthly payments to investors.

18 26. **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** began
19 selling investments in “money voucher machines” in July, 2000 through sales agents retained on
20 their behalf by **RUTTENBERG AND ASSOCIATES MVP**. **UNLIMITED CASH** and
21 **DOUGLAS NETWORK ENTERPRISES** instructed their sales agents to stop selling new
22 investments in “money voucher machines” in March, 2001.

23 27. **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** sold the
24 **UNLIMITED CASH** “MVM-490” model “money voucher machine” to investors for four
25 thousand dollars (\$4,000.00) per unit.
26



1 28. The **UNLIMITED CASH** "MVM-490" model "money voucher machine" was a
2 complex machine to operate. Before garnering the ability to generate any transaction income, the
3 owner of a "money voucher machine" would have to, among other tasks, find and lease a retail
4 location for the unit, join – at substantial expense - an electronic banking network that would
5 allow the machine to deduct funds from consumers' bank accounts, arrange for a financial
6 institution to process the transactions, and keep the unit clean and in good repair.

7 29. **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** presented
8 prospective investors with two "options" for the management of their "money voucher machine."
9 The investor was invited to either operate the machine themselves as a commercial enterprise or
10 hire a "service provider" such as **DOUGLAS NETWORK ENTERPRISES** to do so on their
11 behalf.

12 30. **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** sales
13 agents were selling investments in "money voucher machines" to elderly investors in their
14 seventies and eighties seeking a return on their investment, and not to those that wished to
15 operate a business.

16 31. As a matter of economic reality, the **UNLIMITED CASH** and **DOUGLAS**
17 **NETWORK ENTERPRISES** "money voucher machine" was sold with the understanding that
18 it was part of a single, unified investment program that would require the immediate assignment
19 of the unit sold by **UNLIMITED CASH** to **DOUGLAS NETWORK ENTERPRISES** for
20 operation.

21 32. None of the Oregon investors ever operated a "money voucher machine"
22 themselves (the roughly seventy five thousand dollar (\$75,000) cost of joining an electronic
23 banking network would have been a prohibitive barrier to doing so). None of the Oregon "money
24 voucher machine" investors has even visited the site at which their machine was allegedly
25 located. The **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** investors
26 engaged in no management tasks, and relied exclusively on Respondents to garner a return on

Division of Finance and Corporate Securities
Labor and Industries Building
530 Winter Street, Suite 410
Salem, OR 97301-3283
Telephone: (503) 378-4387



1 their investment for them. The investment in a “money voucher machine” was a completely
2 passive one.

3 33. At the time of purchase, the “money voucher machine” investment program
4 participant contracted with **DOUGLAS NETWORK ENTERPRISES** to operate the “money
5 voucher machine” on their behalf. **DOUGLAS NETWORK ENTERPRISES** represented that
6 it would select a retail location for the machine, install the unit, retain a processing company to
7 effect the transactions between the merchant, consumer, and financial institution, instruct the
8 merchant on the promotion of the money voucher machine, relocate the machine if it was not
9 generating eighty nine (89) transactions per month, and clean and provide maintenance and
10 repairs for the machine.

11 34. **DOUGLAS NETWORK ENTERPRISES** garnered its own compensation and
12 paid investors from the transaction fees generated every time a consumer accessed a “money
13 voucher machine”. The \$1.50 transaction fee was allocated between the investor (sixty cents),
14 **DOUGLAS NETWORK ENTERPRISES** (forty cents), and an escrow account purportedly
15 established by **DOUGLAS NETWORK ENTERPRISES** (fifty cents) for the purpose of
16 funding potential “buybacks”, the term employed by sales agents to describe the repurchase
17 guarantee **DOUGLAS NETWORK ENTERPRISES** gave investors. Investors could have their
18 machines repurchased if, averaged over a calendar quarter, fewer than 89 transactions per month
19 took place on their units.

20 35. **DOUGLAS NETWORK ENTERPRISES** informed prospective investors that
21 if their money voucher machine achieved an average of 89 transactions per month, the explicit
22 goal, they could expect a payment of \$53.40 per unit per month. This translates to a sixteen
23 percent (16%) return per annum. The investor’s actual return depended on the number of
24 transactions on their machine.

25 36. The “money voucher machine” investor had the contractual right to sell the
26 machines back to **DOUGLAS NETWORK ENTERPRISES** if *all the units owned by the*

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350 Winter Street, NE, Suite 410
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Telephone: (503) 378-4387



1 investor did not average 89 transactions per month (if, put differently, they didn't receive an
2 average of \$53.40 per month on each \$4,000 investment). The service contract contained a
3 sliding schedule for the "buyback": if it occurred within 0-12 months of the purchase the investor
4 would receive 70% of the original purchase price; if it occurred within 13-24 months of the
5 purchase the investor would receive 80% of the original purchase price; if it occurred within 25-
6 36 months of the purchase the investor would receive 90% of the original purchase price; and if
7 it occurred within 37-39 months of the purchase the investor would receive 100% of the original
8 purchase price.

9 **Part Three: The "Money Voucher Machine Program" Sales Process**

10 37. **UNLIMITED CASH and DOUGLAS NETWORK ENTERPRISES** sold the
11 "money voucher machines" to members of the public through independent insurance agents
12 recruited and managed by **RUTTENBERG AND ASSOCIATES MVP**.

13 38. **RUTTENBERG AND ASSOCIATES MVP**, a subsidiary of an Illinois based
14 insurance firm, was incorporated in April, 2000 for the exclusive purpose of developing a sales
15 force for the **UNLIMITED CASH and DOUGLAS NETWORK ENTERPRISES** "money
16 voucher machine" program.

17 39. **RUTTENBERG AND ASSOCIATES MVP** received a commission of twenty
18 percent (20%) for each "money voucher machine" sold, from which it compensated its sales
19 agents. As sales agents received a commission of between twelve (12%) and sixteen (16%) per
20 machine sold, **RUTTENBERG AND ASSOCIATES MVP** earned between one hundred sixty
21 dollars (\$160.00) and three hundred twenty dollars (\$320.00) per sale.

22 40. **RUTTENBERG AND ASSOCIATES MVP** recruited sales agents to sell the
23 "money voucher machine" program by placing advertisements emphasizing its commission
24 structure on a 3 x 5 inch "marketing card pack" sent to independent insurance agents by direct
25 advertising companies.

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150 West Industrial Building
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 41. **RUTTENBERG AND ASSOCIATES MVP** acted as an intermediary in the
2 sales process, processing the requisite paperwork provided by sales agents and forwarding the
3 signed contracts and appurtenant funds to **UNLIMITED CASH** and **DOUGLAS NETWORK**
4 **ENTERPRISES**.

5 42. **RUTTENBERG AND ASSOCIATES MVP** did not provide sales agents with
6 any formal training or orientation prior to having them engage in sales of the “money voucher
7 machine” program.

8 43. **RUTTENBERG AND ASSOCIATES MVP** provided the sales agents with
9 written sales materials, furnished by **UNLIMITED CASH** and **DOUGLAS NETWORK**
10 **ENTERPRISES**, to pass on to potential investors. The materials, filled with generalized sales
11 slogans, were devoid of any substantial information relating to the operating history,
12 management experience, financial status, or nature of competition in the industry in which
13 **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** operated in.

14 44. **RUTTENBERG AND ASSOCIATES MVP** maintained no compliance
15 function to ensure that the representations its sales agents made about the “money voucher
16 machine” investment were truthful.

17 45. **RUTTENBERG AND ASSOCIATES MVP** instructed its sales agents in
18 writing to tell prospective investors that the “money voucher machine” program was a “business
19 opportunity” and not an “investment.” However, legitimate entrepreneurs rarely purchase a
20 business from an independent insurance agent, especially without financial statements and
21 substantial information about the entity’s operating history.

22 46. To begin the process of selling “money voucher machines” to investors,
23 **RUTTENBERG AND ASSOCIATES MVP**’s sales agents contacted individuals that they had
24 previously sold insurance to and that were in retirement - the type of client that would likely
25 have their savings in certificates of deposit or other cash equivalents - and asked them if they
26 would like to get a higher return than banks offered while maintaining the safety of their money.

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350 Winter Street, NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 If they received a reply in the affirmative, the sales agent asked to meet with them in their home
2 to discuss an "investment of \$4,000 that produces monthly income."

3 47. During their in-home sales presentation, **RUTTENBERG AND ASSOCIATES**
4 **MVP** sales agents made sunny comments about the promise of the "money voucher machine",
5 heavily emphasizing the sixteen percent (16%) return **DOUGLAS NETWORK**
6 **ENTERPRISES** offered investors at a time when bank returns were one to four percent (1-4%).
7 The sales agents made no mention of the substantial risks of the "money voucher machine"
8 program including, specifically, the investor's complete dependence on the success of
9 **DOUGLAS NETWORK ENTERPRISES** in placing and operating the machines in the
10 marketplace in a fashion successful enough to garner the revenue to pay investors promised
11 sums.

12 48. The three Oregon based sales agents for the "money voucher machine" program
13 were Jim Georgen, **KENNETH GEBAROWSKI**, and **RANDALL COVELLI**.

14 49. Georgen sold nine "money voucher machines" to an Oregon couple. Pursuant to
15 a Cease and Desist Order entered on December 18, 2003 (S-03-0044), Georgen's securities
16 license was revoked by the Oregon Division of Finance and Corporate Securities for, *inter alia*,
17 activities relating to sales of the **UNLIMITED CASH** and **DOUGLAS NETWORK**
18 **ENTERPRISES** "money voucher machine" program. As such, he is not a named Respondent in
19 this Order.

20 50. **GEBAROWSKI** has been a licensed Oregon insurance agent since 1970.
21 **GEBAROWSKI**, who is not a licensed attorney, engaged in the unlawful sale of "trust"
22 documents to members of the public, conduct for which he entered into an "Assurance of
23 Voluntary Compliance" with the Oregon Department of Justice on April 23, 2002. Many of the
24 individuals **GEBAROWSKI** sold "money voucher machine" investments to were clients of his
25 trust selling business.

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Labor and Industries Building
330 Winter Street NE, Suite 410
Salem, OR 97301-3581
Telephone: (503) 378-4387



1 51. **GEBAROWSKI** sold money voucher machines to approximately thirty Oregon
2 residents, nearly half in conjunction with **COVELLI**, with the pair splitting commissions on
3 joint sales.

4 52. **COVELLI** was a licensed Oregon insurance agent with an emphasis on long term
5 care insurance. Nearly all of the individuals **COVELLI** sold “money voucher machine”
6 investments to were clients of his insurance practice.

7 53. The Oregon Division of Finance and Corporate Securities issued a Cease and
8 Desist Order against **COVELLI** in 1999 for his role in an unlawful investment contract scheme
9 (In Re Paytele Communications, Order No. O-98-0003).

10 54. **COVELLI** sold money voucher machines to approximately thirty Oregon
11 residents, nearly half in conjunction with Kenneth **GEBAROWSKI**, with the pair splitting
12 commissions on joint sales.

13 55. **UNLIMITED CASH** and **RUTTENBERG AND ASSOCIATES MVP**
14 terminated their business relationship in March, 2001.

15 56. In April, 2001 **UNLIMITED CASH** and **DOUGLAS NETWORK**
16 **ENTERPRISES** abruptly ceased new sales of their “money voucher machine” program,
17 switching all of their efforts to the “ad topper” concept” described below.

18 **Part Four: Misrepresentations in the “Money Voucher Machine” Sales Process**

19 57. Respondents, as part of the process of selling the **UNLIMITED CASH** and
20 **DOUGLAS NETWORK ENTERPRISES** “money voucher machine” investment program to
21 members of the public through sales agents, represented to investors that the “money voucher
22 machine” program was a safe investment.

23 58. Respondents, as part of the process of selling the **UNLIMITED CASH** and
24 **DOUGLAS NETWORK ENTERPRISES** “money voucher machine” investment program to
25 members of the public through sales agents, represented to investors that the “money voucher
26 machine” program was appropriate for an investor in retirement.

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350 Winter Street, NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 59. Respondents, as part of the process of selling the **UNLIMITED CASH** and
2 **DOUGLAS NETWORK ENTERPRISES** “money voucher machine” investment program to
3 members of the public through sales agents, failed to provide investors with a detailed
4 description of the management background and operating experience of executives of
5 **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES**.

6 60. Respondents, as part of the process of selling the **UNLIMITED CASH** and
7 **DOUGLAS NETWORK ENTERPRISES** “money voucher machine” investment program to
8 members of the public through sales agents, failed to provide investors with financial statements
9 or any other data that would allow investors to independently gauge the financial health of
10 **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES**.

11 61. Respondents, as part of the process of selling the **UNLIMITED CASH** and
12 **DOUGLAS NETWORK ENTERPRISES** “money voucher machine” investment program to
13 members of the public through sales agents, failed to provide investors with any description of
14 the factors and methods used by **DOUGLAS NETWORK ENTERPRISES** to determine
15 where to locate the “money voucher machines” in the retail marketplace.

16 62. Respondents, as part of the process of selling the **UNLIMITED CASH** and
17 **DOUGLAS NETWORK ENTERPRISES** “money voucher machine” investment program to
18 members of the public through sales agents, failed to inform investors that in the event that the
19 money voucher machines failed in the marketplace for lack of public appeal or because of newer,
20 less expensive technologies and there were, as a result, an insufficient number of transactions for
21 money voucher machines to produce the revenue to make monthly payments, all investors might
22 attempt to sell their “money voucher machines” back at the same time. In that event, there
23 would be insufficient funds to engage in the guaranteed “buybacks.”

24 63. Respondents, as part of the process of selling the **UNLIMITED CASH** and
25 **DOUGLAS NETWORK ENTERPRISES** “money voucher machine” investment program to
26 members of the public through sales agents, failed to inform investors that **DOUGLAS**

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Law and Industries Building
320 W. NE Oregon Street, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 **NETWORK ENTERPRISES**, an allegedly independent entity, was controlled by and/or was a
2 subsidiary of **UNLIMITED CASH**, and that the CEO of **DOUGLAS NETWORK**
3 **ENTERPRISES** was an employee of **UNLIMITED CASH**.

4 64. Respondents, as part of the process of selling the **UNLIMITED CASH** and
5 **DOUGLAS NETWORK ENTERPRISES** "money voucher machine" investment program to
6 members of the public through sales agents, failed to inform investors that the "money voucher
7 machine" program was required to be registered with the Oregon Division of Finance and
8 Corporate Securities, and was not.

9 65. Respondents, as part of the process of selling the **UNLIMITED CASH** and
10 **DOUGLAS NETWORK ENTERPRISES** "money voucher machine" investment program to
11 members of the public through sales agents, failed to inform investors that the "money voucher
12 machine" program's sales agents were not, as was required by law, licensed by the Oregon
13 Division of Finance and Corporate Securities.

14 66. Respondents, as part of the process of selling the **UNLIMITED CASH** and
15 **DOUGLAS NETWORK ENTERPRISES** "money voucher machine" investment program to
16 members of the public through sales agents, failed to inform investors that sales agent
17 **COVELLI** had been ordered by the Oregon Division of Finance and Corporate Securities to
18 cease and desist from the sale of securities.

19 **Part Five: The "Ad Topper" Program**

20 67. **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** sold
21 investments in machines that Respondents called "ad toppers." The "ad topper" was represented
22 to be seventy feet high and twenty-four inches wide with a fifteen-inch, high resolution flat
23 screen, stereo sound, and full motion video. The "ad topper" is essentially a television set placed
24 in a retail environment that purportedly runs a repeating loop of commercials on behalf of
25 subscribing advertisers.

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Telephone: (503) 378-4387



1 68. Prospective investors were told that **UNLIMITED CASH** (or its subsidiary, Xstream
2 Advertising, Inc.) manufactured and sold the “ad topper” machine, solicited advertising contracts
3 for the machine from large corporate accounts, and produced commercials and videos to run on
4 the machine. **DOUGLAS NETWORK ENTERPRISES** was to place the machine in a retail
5 location, operate and service the units, and remit monthly payments to investors.

6 69. **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** began
7 selling the “ad topper” investment program in April, 2001.

8 70. **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** sold each
9 “XU-1 Universal Ad Topper” to investors for four thousand dollars (\$4,000.00) per unit.

10 71. The **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** “ad
11 topper” investment program differed from the “money voucher machine” program’s business
12 model. Unlike the “money voucher machine”, which relied on transaction fees from consumers,
13 the “ad topper” derived revenue from businesses that purportedly paid to have advertising run on
14 the machine.

15 72. The **UNLIMITED CASH** “XU-1 Universal Ad Topper” was a complex machine to
16 operate. Before garnering the ability to generate revenue, the operator of an “ad topper” machine
17 would have to, among other tasks, find and lease a retail location for the machine, solicit
18 advertising for the machine from businesses at profitable rates, design and produce the
19 advertising, program the machine to properly run commercials and videos, and keep the unit
20 clean and in good repair.

21 73. **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** presented
22 prospective investors with two “options” for the management of their “ad topper” machine. The
23 investor was invited to either operate the machine themselves or hire a “service provider” such as
24 **DOUGLAS NETWORK ENTERPRISES** to do so on their behalf.

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Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street, NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 74. **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** sold
2 investments in “ad topper” machines to Oregon investors seeking a return on their investment
3 and not to those that wished to operate a business.

4 75. As a matter of economic reality, the **UNLIMITED CASH** and **DOUGLAS**
5 **NETWORK ENTERPRISES** “ad topper” machine was sold with the understanding that it was
6 part of a single, unified investment program that would require the immediate assignment of the
7 unit sold by **UNLIMITED CASH** to **DOUGLAS NETWORK ENTERPRISES** for operation.

8 76. None of the Oregon investors ever operated an “ad topper” themselves. None of the
9 Oregon “ad topper” investors has even visited the site at which their machine was allegedly
10 located. The **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** investors
11 engaged in no management tasks, and relied exclusively on Respondents to garner a return on
12 their investment for them. The investment in an “ad topper” was a completely passive one.

13 77. At the time of purchase, the “ad topper” investment program participant contracted
14 with **DOUGLAS NETWORK ENTERPRISES** to operate the “ad topper” machine on their
15 behalf. **DOUGLAS NETWORK ENTERPRISES** represented that it would select a retail
16 location for the machine, install the unit, program the machine to run the advertising
17 **UNLIMITED CASH**’s subsidiary had solicited from advertisers, and provide maintenance and
18 repairs for the machine. In exchange, the investor was guaranteed a monthly payment.

19 78. **DOUGLAS NETWORK ENTERPRISES** assured “ad topper” investors of a
20 minimum return of \$54.00 per month per unit, and held out the possibility of a much higher
21 amount: for every additional ad “placed” on that particular investor’s “ad topper” machine the
22 investor would be paid an extra five dollars (\$5.00). **DOUGLAS NETWORK ENTERPRISES**
23 and **UNLIMITED CASH** heavily touted the minimum sixteen percent (16%) return per annum.

24 79. The “ad topper” investor could, at the sole option of **DOUGLAS NETWORK**
25 **ENTERPRISES**, sell their machine back to **DOUGLAS NETWORK ENTERPRISES**. The
26 service contract contained a sliding schedule for the “buyback”: if it occurred within 6-12

1 months of the purchase the investor would receive 50% of the original purchase price; if it
2 occurred within 13-24 months of the purchase the investor would receive 60% of the original
3 purchase price; if it occurred within 25-36 months of the purchase the investor would receive
4 75% of the original purchase price; and if it occurred within 37-39 months of the purchase the
5 investor would receive 100% of the original purchase price.

6 **Part Six: The "Ad Topper" Program Sales Process**

7 80. **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES** sold the "ad
8 topper" machines to members of the public through Respondent **BOEDEKER**, an independent
9 insurance agent in North Bend, Oregon. This sales agent was managed by **UNLIMITED CASH**
10 but compensated by both **UNLIMITED CASH** and **DOUGLAS NETWORK**
11 **ENTERPRISES**.

12 81. **BOEDEKER** was originally recruited to sell investments in the "money voucher
13 machine" program by **RUTTENBERG AND ASSOCIATES MVP**. However, before he could
14 make any "money voucher machine" sales **UNLIMITED CASH** CEO **FLESHER** advised
15 **BOEDEKER** in April, 2001 that **UNLIMITED CASH** and **DOUGLAS NETWORK**
16 **ENTERPRISES** were transferring their efforts to the "ad topper" program, whose sales force
17 was to be managed directly by **UNLIMITED CASH**.

18 82. **BOEDEKER** received a commission of twenty percent (20%) from **UNLIMITED**
19 **CASH** for each "ad topper" machine he sold, which amounted to eight hundred dollars (\$800.00)
20 per unit. In addition, **DOUGLAS NETWORK ENTERPRISES** paid **BOEDEKER** five dollars
21 (\$5.00) per month for every "ad topper" he had ever sold that it operated on investors' behalf.

22 83. **UNLIMITED CASH** did not provide **BOEDEKER** with any formal training or
23 orientation prior to having him engage in sales of investments in "ad topper" machines.

24 84. **UNLIMITED CASH** provided **BOEDEKER** with written sales materials to pass on
25 to potential investors. The materials, filled with generalized sales slogans, were devoid of any
26 substantial information relating to the operating history, management experience, financial

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



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1 status, or nature of competition in the industry in which **UNLIMITED CASH** and **DOUGLAS**
2 **NETWORK ENTERPRISES** operated in.

3 85. **UNLIMITED CASH** maintained no compliance function to ensure that the
4 representations **BOEDEKER** made about the "ad topper" machine investment were truthful.

5 86. **BOEDEKER** contacted clients of his insurance firm to attempt to sell them
6 investments in the "ad topper" program.

7 87. **BOEDEKER** also placed an advertisement in a Coos Bay, Oregon newspaper, the
8 text of which read "Are you earning 9 to 16% on your money? Call Bill or Rita to learn how you
9 can earn 9% to 16% return on your money." **BOEDEKER** solicited investments in the "ad
10 topper" program from members of the public that contacted his office in response to the
11 advertisement.

12 88. **BOEDEKER** invited interested persons to make an appointment to discuss the "ad
13 topper" program at his North Bend, Oregon office.

14 89. Once he was face to face with prospective investors, **BOEDEKER** made sunny
15 comments about the "ad topper" machine investment. **BOEDEKER** noted the cost of each unit
16 and heavily emphasized the sixteen percent (16%) return **UNLIMITED CASH** and **DOUGLAS**
17 **NETWORK ENTERPRISES** offered investors. He asserted that there was a thirty day period
18 after the purchase for the investor to change their mind, and stated that the investment was for a
19 three year period, after which the investor had the right to sell the "ad topper" machine back to
20 **UNLIMITED CASH** (in point of fact, no such right was contained in the applicable contract).

21 90. **BOEDEKER** made no mention of the risks of the "ad topper" machine program or,
22 specifically, of the investor's complete dependence on the success of **UNLIMITED CASH** to
23 garner a sufficient amount of advertising to pay investors such a generous return.

24 91. At the conclusion of his presentation, **BOEDEKER** gave investors an **UNLIMITED**
25 **CASH** "Ad Topper Information Sheet" which noted that "[t]he income potential is very
26 lucrative today! With just one ad you receive \$54.00 per month, \$648 each year. Your yearly

1 return base is 16% and your income potential (sic) can even go higher over the next three to
2 five years. As new ads are sold and placed on the unit you receive \$5.00 a month more. Your
3 monthly return rate may go up and down over the next three to five years as advertisers may
4 come and go, but your base return rate will not be less than (sic) 16% return."

5 92. **BOEDEKER** sold investments in "ad topper" machines to at least twenty Oregon
6 residents.

7 **Part Seven: Misrepresentations in the "Ad Topper" Sales Process**

8 93. Respondents, as part of the process of selling the **UNLIMITED CASH** and
9 **DOUGLAS NETWORK ENTERPRISES** "ad topper" machine investment program to
10 members of the public through a sales agent, represented to investors that the "ad topper"
11 program was a safe investment.

12 94. Respondents, as part of the process of selling the **UNLIMITED CASH** and
13 **DOUGLAS NETWORK ENTERPRISES** "ad topper" machine investment program to
14 members of the public through a sales agent, represented to investors that the "ad topper"
15 machine investment program was appropriate for an investor in retirement.

16 95. Respondents, as part of the process of selling the **UNLIMITED CASH** and
17 **DOUGLAS NETWORK ENTERPRISES** "ad topper" machine investment program to
18 members of the public through a sales agent, failed to provide investors with a detailed
19 description of the management background and operating experience of executives of
20 **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES**.

21 96. Respondents, as part of the process of selling the **UNLIMITED CASH** and
22 **DOUGLAS NETWORK ENTERPRISES** "ad topper" machine investment program to
23 members of the public through a sales agent, failed to provide investors with financial statements
24 or any other specific information that would allow investors to independently gauge the financial
25 health of **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES**.

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Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



Division of Finance and Corporate Securities
Labor and Industries Building
330 Winter Street, NE, Suite 410
Salem, OR 97301-3884
Telephone: (503) 378-4387



1 97. Respondents, as part of the process of selling the **UNLIMITED CASH** and
2 **DOUGLAS NETWORK ENTERPRISES** “ad topper” machine investment program to
3 members of the public through a sales agent, failed to provide investors with any description of
4 the factors and methods used by **UNLIMITED CASH** to garner advertising for the “ad topper”
5 machines.

6 98. Respondents, as part of the process of selling the **UNLIMITED CASH** and
7 **DOUGLAS NETWORK ENTERPRISES** “ad topper” machine investment program to
8 members of the public through a sales agent, failed to inform investors that **DOUGLAS**
9 **NETWORK ENTERPRISES**, an allegedly independent entity, was controlled by and/or was a
10 subsidiary of **UNLIMITED CASH**, and that the CEO of **DOUGLAS NETWORK**
11 **ENTERPRISES** was an employee of **UNLIMITED CASH**.

12 99. Respondents, as part of the process of selling the **UNLIMITED CASH** and
13 **DOUGLAS NETWORK ENTERPRISES** “ad topper” machine investment program to
14 members of the public through a sales agent, failed to inform investors that the “ad topper”
15 machine investment program was required to be registered with the Oregon Division of Finance
16 and Corporate Securities and was not.

17 100. Respondents, as part of the process of selling the **UNLIMITED CASH** and
18 **DOUGLAS NETWORK ENTERPRISES** “ad topper” machine investment program to
19 members of the public through a sales agent, failed to inform investors that the “ad topper”
20 machine investment program’s sales agent was not, as was required by law, licensed by the
21 Oregon Division of Finance and Corporate Securities.

CONCLUSIONS OF LAW

22
23
24 The Director **CONCLUDES** that

25 101. Respondents offered securities, as defined by ORS 59.015 (19) (a), for sale in the
26 State of Oregon.

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Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 102. Respondents offered unregistered securities for sale in the State of Oregon, in
2 violation of ORS 59.055.

3 103. Respondents offered securities for sale in the State of Oregon without being
4 licensed to do so, in violation of ORS 59.165.

5 104. Respondents represented to investors that the “money voucher machine” program
6 was a safe investment, which was an untrue statement of a material fact and/or an omission to
7 state a material fact necessary in order to make the statements made, in the light of the
8 circumstances under which they were made, not misleading, in violation of ORS 59.135 (2).

9 105. Respondents represented to investors that the “money voucher machine” program
10 was appropriate for an investor in retirement, which was an untrue statement of a material fact
11 and/or an omission to state a material fact necessary in order to make the statements made, in the
12 light of the circumstances under which they were made, not misleading, in violation of ORS
13 59.135 (2).

14 106. Respondents failed to provide investors with a detailed description of the
15 management background and “money voucher machine” operating experience of executives of
16 **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES**, which was an untrue
17 statement of a material fact and/or an omission to state a material fact necessary in order to make
18 the statements made, in the light of the circumstances under which they were made, not
19 misleading, in violation of ORS 59.135 (2).

20 107. Respondents failed to provide investors with financial statements or any other
21 specific information that would allow investors to independently gauge the financial health of
22 **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES**, which was an untrue
23 statement of a material fact and/or an omission to state a material fact necessary in order to make
24 the statements made, in the light of the circumstances under which they were made, not
25 misleading, in violation of ORS 59.135 (2).

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Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street, NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 108. Respondents failed to provide investors with any description of the factors and
2 methods used by **DOUGLAS NETWORK ENTERPRISES** to determine where to locate the
3 “money voucher machines” in the retail marketplace so as to maximize the number of
4 transactions effected on the units, which was an untrue statement of a material fact and/or an
5 omission to state a material fact necessary in order to make the statements made, in the light of
6 the circumstances under which they were made, not misleading, in violation of ORS 59.135 (2).

7 109. Respondents failed to inform investors that in the event that the money voucher
8 machines failed in the marketplace most investors would attempt to sell their “money voucher
9 machines” back to **DOUGLAS NETWORK ENTERPRISES** at the same time, and that there
10 would be insufficient funds to effectuate the guaranteed “buybacks”, which was an untrue
11 statement of a material fact and/or an omission to state a material fact necessary in order to make
12 the statements made, in the light of the circumstances under which they were made, not
13 misleading, in violation of ORS 59.135 (2).

14 110. Respondents failed to inform investors that **DOUGLAS NETWORK**
15 **ENTERPRISES**, an allegedly independent entity, was controlled by and/or was a subsidiary of
16 **UNLIMITED CASH**, and that the CEO of **DOUGLAS NETWORK ENTERPRISES** was an
17 employee of **UNLIMITED CASH**, which was an untrue statement of a material fact and/or an
18 omission to state a material fact necessary in order to make the statements made, in the light of
19 the circumstances under which they were made, not misleading, in violation of ORS 59.135 (2).

20 111. Respondents failed to inform investors that the “money voucher machine”
21 program was required to be registered with the Oregon Division of Finance and Corporate
22 Securities and was not, which was an untrue statement of a material fact and/or an omission to
23 state a material fact necessary in order to make the statements made, in the light of the
24 circumstances under which they were made, not misleading, in violation of ORS 59.135 (2).

25 112. Respondents failed to inform investors that the “money voucher machine”
26 investment program’s sales agents were not, as required by law, licensed by the Oregon Division

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Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 of Finance and Corporate Securities, which was an untrue statement of a material fact and/or an
2 omission to state a material fact necessary in order to make the statements made, in the light of
3 the circumstances under which they were made, not misleading, in violation of ORS 59.135 (2).

4 113. Respondents represented to investors that the “ad topper” machine investment
5 program was a safe investment, which was an untrue statement of a material fact and/or an
6 omission to state a material fact necessary in order to make the statements made, in the light of
7 the circumstances under which they were made, not misleading, in violation of ORS 59.135 (2).

8 114. Respondents represented to investors that the “ad topper” machine investment
9 program was appropriate for an investor in or nearing retirement, which was an untrue statement
10 of a material fact and/or an omission to state a material fact necessary in order to make the
11 statements made, in the light of the circumstances under which they were made, not misleading,
12 in violation of ORS 59.135 (2).

13 115. Respondents failed to provide investors with a detailed description of the
14 management background and “ad topper” industry operating experience of executives of
15 **UNLIMITED CASH** and **DOUGLAS NETWORK ENTERPRISES**, which was an untrue
16 statement of a material fact and/or an omission to state a material fact necessary in order to make
17 the statements made, in the light of the circumstances under which they were made, not
18 misleading, in violation of ORS 59.135 (2).

19 116. Respondents failed to provide investors with any description of the factors and
20 methods used by **UNLIMITED CASH** to garner advertising for the “ad topper” machines,
21 which was an untrue statement of a material fact and/or an omission to state a material fact
22 necessary in order to make the statements made, in the light of the circumstances under which
23 they were made, not misleading, in violation of ORS 59.135 (2) .

24 117. Respondents failed to inform investors that the “ad topper” machine program was
25 required to be registered with the Oregon Division of Finance and Corporate Securities and was
26 not, which was an untrue statement of a material fact and/or an omission to state a material fact

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Labor and Industries Building
350 Winter Street, NE, Suite 410
Salem, OR 97301-3881
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1 necessary in order to make the statements made, in the light of the circumstances under which
2 they were made, not misleading, in violation of ORS 59.135 (2).

3 118. Respondents failed to inform investors that the "ad topper" machine program's
4 sales agents were not, as required by law, licensed by the Oregon Division of Finance and
5 Corporate Securities, which was an untrue statement of a material fact and/or an omission to
6 state a material fact necessary in order to make the statements made, in the light of the
7 circumstances under which they were made, not misleading, in violation of ORS 59.135 (2).

8 **ORDER**

9 Therefore, the Director **ORDERS**

10 119. That Respondents shall cease and desist from offering or selling securities to
11 persons in the State of Oregon in violation of ORS Chapter 59, OAR Chapter 441, or the Oregon
12 securities law.

13 120. That Respondent **BOEDEKER** is ordered to pay the sum of **FIFTY**
14 **THOUSAND DOLLARS** (\$50,000.00) as a civil penalty for violations of ORS 59.055, ORS
15 59.135, and ORS 59.165 described herein. Of this amount, the sum of **TWENTY SEVEN**
16 **THOUSAND FIVE HUNDRED DOLLARS** (\$27,500.00) shall be **SUSPENDED** pending
17 compliance with all terms of this Order. The remaining **TWENTY TWO THOUSAND FIVE**
18 **HUNDRED DOLLARS** (\$22,500.00) shall be tendered in the following fashion: **THREE**
19 **THOUSAND TWO HUNDRED FIFTY DOLLARS** (\$3,250.00) shall be paid concurrent with
20 the entry of this Order on or about July 20, 2006 and on August 20, 2006, September 20, 2006,
21 and October 20, 2006; **THREE HUNDRED SEVENTY FIVE DOLLARS** (\$375.00) shall be
22 paid on November 20, 2006, and on the 20th of each month thereafter, until the total amount of
23 **TWENTY TWO THOUSAND FIVE HUNDRED DOLLARS** (\$22,500.00) has been paid.
24 Time shall be deemed to be of the essence for the purposes of the civil penalty, and any single
25 scheduled payment that is more than **TEN** (10) days late shall cause the entire **FIFTY**
26 **THOUSAND DOLLAR** (\$50,000.00) civil penalty, minus amounts that have already been paid,

1 to become immediately due and owing. Acceptance by the Director of a late payment shall
2 constitute waiver of any objection involving the timeliness of said payment only. Should
3 Respondent satisfy all obligations under this clause in a timely manner, the **SUSPENDED**
4 portion of this civil penalty shall be deemed to be waived.

5 121. That Respondent **BOEDEKER** is hereby prohibited from applying for an Oregon
6 securities license for a period of ten (10) years.

7 122. That Respondent **BOEDEKER** is hereby denied the use of any exemptions
8 contained in ORS 59.025 and ORS 59.035, until further order of the Director.

9
10 Dated this 27th day of July, 2006 NUNC PRO TUNC August 8, 2005 at Salem, Oregon.

11
12 CORY STREISINGER, Director
13 Department of Consumer and Business Services

14 

15 David C. Tatman, Administrator
16 Division Of Finance And Corporate Securities

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Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



CONSENT TO ENTRY OF ORDER

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I, Bill Boedeker, state that I am a resident of the State of Oregon; that I have read the foregoing Order and have discussed the contents thereof with my attorney Robert McGaughey; that I know and fully understand the contents of the Order; that I have been advised of my right to a hearing; that I do not admit or deny the findings of fact or conclusions of law contained in the order but voluntarily consent to the entry of this order without any force or duress, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law by me relating to a matter other than the events involving Unlimited Cash, Inc. and Douglas Network Enterprises, Inc.; and that I will fully comply with the terms and conditions stated herein. I understand that this consent Order is a public document.

Dated this 18 day of July, 2006.

Bill Boedeker
Bill Boedeker

Amy Caffey Amy Caffey
(Printed Name of Notary Public)
Notary Public



for the State of: Oregon
commission expires: April 12, 2008