

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Well Off Network,

Respondent.

File No. ODS 08-067

ORDER TO CEASE AND DESIST

On April 3, 2008, a recommendation to issue an order to cease and desist (Recommendation) against Well Off Network was filed by the Enforcement Division with the Administrator of the Oklahoma Department of Securities (Department). The issuance of such order is authorized by Section 814 of the Oklahoma Business Opportunity Sales Act (Act), Okla. Stat. tit. 71, §§ 801-829 (2001).

On April 6, 2008, the Administrator of the Department issued a *Notice of Opportunity for Hearing* with the Recommendation attached (Notice). After attempts by the Department to determine the address of Respondent, a location at which to serve Respondent could not be found. Pursuant to Section 818 of the Act, the Notice was served on the Administrator of the Department on April 6, 2008.

Findings of Fact

1. At all times relevant hereto, Well Off Network ("Respondent") maintained a website at www.welloffnetwork.com that promoted the offer and sale of "Membership Packages" in an internet based program. Well Off Network represented that its membership program allowed members to operate a home based business that would put its members "in the position to make money Forever!"

2. To become a member of the Well Off Network, purchasers were required to sign up online and were given the option to join the Well Off Network at various levels with the first level beginning at a cost of \$500. Once signed up, the "Member" received a password that allowed access to protected areas of Well Off Network's website. The Member then received specific information as to whom they should contact and to whom they should pay their membership fee.

3. Once the membership fee was paid, the Member became a "Confirmed Member" of Well Off Network.

4. A Confirmed Member was required to successfully bring in a new member to become a "Qualified Member" of Well Off Network. The first new member brought in by a Confirmed Member sent payment of their membership fee to the person who brought in the Qualified Member. Thereafter, all new members brought in by the Qualified Member were in Qualified Member's membership line and Qualified Member received payment of their membership fees. There was no limit as to how many membership lines a Qualified Member could create.

5. Well Off Network represented that it provided members with a home based business system, training, tools, scripts, live workshops, lead systems and other support to help members to be successful. Additionally, members were offered an option to pay an annual fee of \$120 for "The Well Off Network Back Office," a system that tracked membership lines in real time.

6. On or about December 17, 2007, Respondent sold an Oklahoma resident a Membership Package for the purchase price of \$920.

7. The Membership Package offered and sold by Respondent was not registered under the Act.

8. Respondent omitted to state material facts in connection with the offer, sale and purchase of a Membership Package including, but not limited to, the following:

- (a) that the Membership Package was a business opportunity;
- (b) that the Membership Package was not registered under the Act or exempt from registration;
- (c) that offering and/or selling the Membership Package could subject members to administrative and/or civil sanctions and/or felony criminal charges, carrying a penalty of up to ten (10) years in jail and/or a fine of up to \$10,000 pursuant to the Act; and
- (d) that persons offering and/or selling the Membership Package may be considered to have promoted a pyramid promotional scheme and be subject to a penalty of up to ten (10) years in jail and/or a fine of not more than \$10,000 pursuant to the Oklahoma Pyramid Promotional Scheme Act.

9. Respondent did not file consent to service of process with the Administrator.

10. The Administrator did not receive a request for hearing.

11. It is in the public interest to issue an order to cease and desist against Respondent.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

Conclusions of Law

1. Reasonable efforts were made by the Department to obtain an address for Respondent. Service of Process on the Administrator has the same force and validity as if served on Respondent personally. Pursuant to Section 818 service of lawful process on Respondents was made by service of the Notice on the Administrator on April 6, 2008.

2. The Membership Package offered and sold by Respondent is a business opportunity.

2. Respondent offered and sold a business opportunity in and/or from the state of Oklahoma.

3. The offer and sale of the Membership Package by Respondent in and/or from this state without registration under the Act is a violation of Section 806 of the Act.

4. Respondent made untrue statements of material fact and omitted to state material facts in connection with the offer and sale of a business opportunity in and/or from this state in violation of Section 819 of the Act.

5. Respondent engaged in acts and practices that operated as a fraud or deceit in connection with the offer and sale of a business opportunity in and/or from this state in violation of Section 819 of the Act.

IT IS HEREBY ORDERED, that Well Off Network cease and desist from the offer and sale of business opportunities in and/or from this state in violation of Sections 806 and 819 of the Act.

Witness my Hand and the Official Seal of the Oklahoma Department of
Securities this 17th day of February, 2009.

(SEAL)



IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES