

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

FRIENDS UNITED NETWORK INC)
(aka)FUN GROUP LLC)
RICHARD I BYRNE)

RESPONDENTS)

ADMINISTRATIVE ORDER
NO. CD- 2011-0002

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. **FRIENDS UNITED NETWORK INC., aka FUN GROUP LLC ("FUN")** is a California Corporation with a stated business purpose of providing investments in a safe "Private Placement Program (PPP)", with a business address of 2686 Johnson Drive, Suite 201, Ventura, California 93003.

2. **RICHARD I BYRNE, ("BYRNE")** is the President of FRIENDS UNITED NETWORK, INC., with a business address of 2686 Johnson Drive, Suite 201, Ventura, California 93003.

STATEMENT OF FACTS

3. The Commission is in receipt of information that in February 2005 and June 2006, **FUN, and BYRNE**, without benefit of registration as a securities Dealer, Agent, Investment Advisor, or Investment Advisor Representative in the State of Alabama, caused the sale of Securities to wit: interest in Private Placement Programs, (PPP) of **FUN** to an Alabama resident.

4. The Commission is in receipt of a bank wire transfer depicting the transfer of funds from the bank account of an Alabama resident to the bank account of **FUN** located at Bank of America.

5. On May 11, 2010, a review of the Registration files of the Alabama Securities Commission revealed no registration for the RESPONDENTS as a Securities Dealer, Securities Agent, Investment Advisor (IA), or Investment Advisor Representative (IAR) in the state of Alabama.

6. On May 11, 2010, a review of the Registration files of the Alabama Securities Commission revealed no evidence of registration or any perfected exemption from registration of the interest in the "Private Placement Programs" offered/issued by **FUN**.

CONCLUSIONS OF LAW

7. Section 8-6-2(10), Code of Alabama 1975, includes in the definition of a "security", in part an investment contract. The selling of investment contracts involving interest in Private Placement Programs of **FUN** by the RESPONDENTS to the Alabama resident are securities as defined by the Act.

8. Section 8-6-2(2), Code of Alabama 1975, defines an agent as any individual other than a dealer who represents a dealer or issuer in effecting or attempting to effect sales of securities. Byrne is an Agent as defined in the Act.

9. Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as an Investment Advisor, Investment Advisor Representative, Dealer, or Agent for securities unless he is registered under the Act. RESPONDENTS offered and sold investment contracts involving interest in Private Placement Programs of **FRIENDS UNITED NETWORK, INC.**, to an Alabama resident without benefit of registration as an Investment Advisor, Investment Advisor Representative, Securities Dealer, or Agent in the State of Alabama, in violation of the Act.

10. Section 8-6-4, Code of Alabama 1975, it is unlawful for any person to offer or sell any security in this state unless it is registered under the Act; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. The selling of investment contracts involving interest in "Private Placement Programs" of **FUN**, without benefit of registration or subject to any perfected securities or transactional exemption is a violation of Section 8-6-4, Code of Alabama 1975.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

Additionally, if the allegations set forth herein are found to be true, though administrative adjudication, failure of the RESPONDENTS to make a timely request for hearing, or default of the Respondents, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, inter alia, an administrative assessment imposed on RESPONDENTS, an additional administrative assessment for investigative cost arising from the investigation of the violation(s) described herein against RESPONDENTS, and a Permanent Order to Bar RESPONDENTS from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that **FRIENDS UNITED NETWORK, INC., aka FUN GROUP, LLC, and RICHARD I BYRNE**, immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the State of Alabama.

Entered at Montgomery, Alabama, this 20th day of January, 2011.



ALABAMA SECURITIES COMMISSION
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BY:

J. Randall McNeill
Deputy Director