

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



In the Matter of:

Cards-R-Us LTD., Paul Blair, Luis Alcala,
Bob Kelton, Mike Nash, and Keith Brooks,

Respondents.

ODS File No. 07-075

ORDER TO CEASE AND DESIST

On May 23, 2007, a recommendation to issue an order to cease and desist (Recommendation) against Cards-R-Us Ltd. (Cards R Us), Paul Blair (Blair), Luis Alcala (Alcala), Bob Kelton (Kelton), Mike Nash (Nash), and Keith Brooks *dba* Prudential Marketing Company (Brooks) (collectively, the "Respondents"), was filed 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 May 23, 2007, the Administrator of the Department issued a Notice of Opportunity for Hearing with the Recommendation attached (Notice).

The Administrator of the Department, being fully advised in this matter, finds that the issuance of this order is in the public interest and does hereby adopt the Findings of Fact and Conclusions of Law set forth below.

Findings of Fact

1. Respondents did not file a consent to service of process with the Administrator of the Department.
2. The Notice was served on the Administrator of the Department on May 23, 2007, and mailed to the last known addresses of Respondents, by certified mail, return receipt requested, and delivery restricted to the Respondents. Each copy of the Notice was returned to the Department, and each was marked "Return to Sender, Attempted – Not Known, Unable to Forward."
3. No request for a hearing has been received by the Administrator.
4. Cards R Us was incorporated in the state of Nevada on December 3, 1996. Cards R Us represents that it is located at 1135 Terminal Way, Suite 106, Reno,

Nevada, and is in the business of selling greeting card distributorships. Cards R Us maintains a web site at <http://cardsrus-ltd.com/>.

5. Blair is president of Cards R Us.
6. Alcalá is a director and the secretary of Cards R Us.
7. Kelton and Nash are sales agents for Cards R Us.
8. Brooks provides locator services for Cards R Us.

9. On October 29, 2006, the following ad appeared in the business opportunity section of the *Sunday Oklahoman*:

Hallmark American Greeting
Card Company. Be part of
an 8 billion dollar industry.
Own your own business.
Call 24/7 1-800-797-4133

10. L. Stewart (Stewart), an Oklahoma resident, telephoned the number contained in the ad and was told that a promotional packet explaining the greeting card business would be sent to him.

11. In or about January 2007, Stewart called Cards R Us at the same telephone number and spoke to Nash. Stewart requested that another promotional packet be sent to him. Nash spoke with Stewart about the business card distributorship being offered by Cards R Us and agreed to mail Stewart another promotional packet. Shortly thereafter, Stewart received the promotional packet containing a brief description of the distributorship, the costs of purchasing a distributorship and profit data on the distributorship based upon the level of participation chosen by the distributor.

12. The promotional packet received by Stewart contained materials that stated that Cards R Us would supply and replenish distributors with a variety of greeting cards at a low wholesale price. The cards, to be displayed on racks purchased by distributors, would be placed in various retail establishments in high volume, high traffic locations arranged by a locator service (Locator) recommended by Cards R Us.

13. Cards R Us guaranteed that distributors would sell a minimum of three (3) cards a day from each display rack placed by the Locator and provided that a full refund would be given to a distributor if locations could not be provided.

14. The promotional materials also set forth profit data demonstrating a distributor's return on investment after four (4), six (6), eight (8) and fourteen (14) months, at each of the four levels of participation offered by Cards R Us.

15. The distributorships were offered as follows:
- a. The Bronze Level Distributorship involved ten (10) greeting card display racks and sufficient greeting cards to stock the display racks and sold for a purchase price of \$19,500.
 - b. The Silver Level Distributorship involved twenty (20) greeting card display racks and greeting cards to stock the racks and sold for a purchase price of \$34,900. An additional three (3) display racks plus cards were offered as a bonus for signing up at the Silver Level. Further, after a period of ninety (90) days of operation, Silver Level distributors would have the option to purchase twenty (20) more display racks that would be financed by Cards R Us.
 - c. The Gold Level Distributorship involved thirty (30) greeting card display racks and cards and sold for a purchase price of \$49,900. A signing bonus of three (3) additional display racks plus cards was included for signing up at the Gold Level.
 - d. The Platinum Level Distributorship involved fifty (50) greeting card display racks and cards and sold for a purchase price of \$79,200. In addition, those signing up at the Platinum Level obtained exclusive rights to sell greeting cards in a designated area and a bonus of five (5) display racks plus cards.

16. On or about February 1, 2007, Stewart spoke with Brooks, an agent of Locator. Brooks provided Stewart with the names, addresses and telephone numbers of two individuals that had used Locator's services and who were currently operating Cards R Us distributorships. Stewart spoke with both references who reported their distributorships were profitable and easy to manage.

17. On or about February 6, 2007, Stewart again spoke with Brooks who related to him that approximately seventy (70) prime store locations had been reserved and/or secured in Stewart's area. Brooks told Stewart he would have first right to choose the selection of twenty (20) locations plus twenty (20) additional locations if Stewart chose to exercise the purchase option provided by the Silver Level Distributorship agreement.

18. On or about February 7, 2007, Stewart signed a Silver Level Distributorship agreement and faxed it to Cards R Us. Stewart requested confirmation that the prime store locations had been secured by Locator. Blair, as president of Cards R Us, signed the agreement but failed to confirm that the prime store locations had

been secured. On February 8, 2007, Stewart wired his down payment to Cards R Us in the amount of \$17,450. The funds were wired to Banco Improsa, S.A.

19. The remaining sum of \$14,450 was to be wired to Cards R Us at the time Stewart's order was ready to ship from the warehouse and the sum of \$3,000 was to be paid directly to Locator.

20. On or about February 9, 2007, Stewart requested that Cards R Us provide him with additional information about the Platinum Level Distributorship and a list of the approximately seventy (70) locations that had been secured by Locator.

21. On or about February 10, 2007, Stewart again requested that Cards R Us provide him with the locations of the retailers that had committed lease space to Cards R Us. He also asked for a copy of a typical lease agreement with stores, the identity of two references located in the Kansas, Texas and/or Oklahoma area, and confirmation that the greeting cards would be equal in quality to Hallmark cards.

22. On or about February 12, 2007, Stewart faxed a letter to Kelton requesting that his distributorship agreement be canceled for the reason that Cards R Us failed to provide him with the information concerning the distributorship that he had repeatedly requested. He also requested that his down payment of \$17,450 be refunded to him.

23. To date, Stewart has not received a response to his requests for information or a refund of his down payment.

24. The Cards R Us distributorships offered and sold by Respondents are not registered under the Act.

25. Respondents omitted to disclose the following fact in connection with the offer and sale of the distributorship: that the distributorship was not registered under the Act and was not exempt from registration under the Act.

26. Respondents made an untrue statement of a material fact necessary in order to make the statement made, in the light of the circumstances under which it was made, not misleading: that Cards R Us was located at 1135 Terminal Way, Suite 106, Reno, Nevada when in fact, Cards R Us does not maintain a physical presence at that address.

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. Service was effected upon Respondents.

2. The distributorship offered and sold by Respondents is a business opportunity.

3. Respondents offered and sold a business opportunity in and/or from the state of Oklahoma.

4. The offer and sale of the business opportunity by Respondents in and/or from this state without registration under the Act is a violation of Section 806 of the Act.

5. Respondents made an untrue statement 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.

6. Respondents 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.

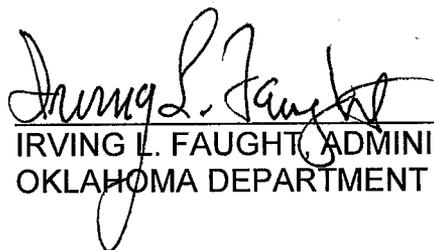
7. Issuance of this Order by the Administrator is authorized by Section 814 of the Act.

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

IT IS HEREBY ORDERED that Cards R Us, Blair, Alcala, Kelton, Nash, and Brooks cease and desist from the offer and sale of business opportunities in and/or from this state.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 25th day of June, 2007.

(SEAL)



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

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 25th day of June, 2007, a true and correct copy of the above and foregoing Order to Cease and Desist was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon, addressed to:

Cards-R-Us Ltd.
1135 Terminal Way, Suite 106
Reno, NV 89502-2143

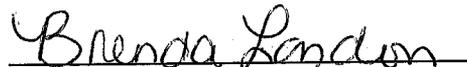
Paul Blair
1135 Terminal Way, Suite 106
Reno, NV 89502-2143

Luis Alcala
1135 Terminal Way, Suite 106
Reno, NV 89502-2143

Bob Kelton
1135 Terminal Way, Suite 106
Reno, NV 89502-2143

Mike Nash
1135 Terminal Way, Suite 106
Reno, NV 89502-2143

Keith Brooks
1135 Terminal Way, Suite 106
Reno, NV 89502-2143


Brenda London
Paralegal