

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



In the Matter of:

Premier Cards Inc., Michael J. Burns,
Timothy Harris, Paul Bentley,
Templeton Placement Services, and
John Turner,

Respondents.

ODS File No. 08-063

ORDER TO CEASE AND DESIST

On July 1, 2008, a recommendation to issue an order to cease and desist (Recommendation) against Premier Cards Inc. (Premier Cards), Michael J. Burns (Burns), Timothy Harris (Harris), Paul Bentley (Bentley), Templeton Placement Services (Templeton), and John Turner (Turner), (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).

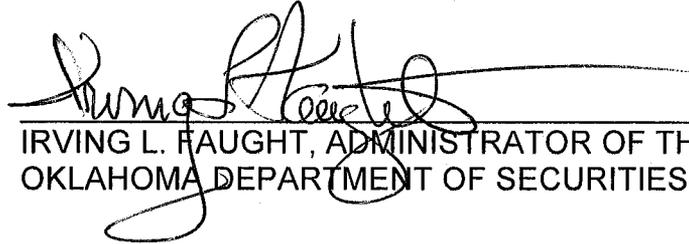
On July 1, 2008, an *Enforcement Division Recommendation* (Recommendation) was filed with the Administrator of the Department (Administrator), recommending that Respondent be ordered to cease and desist the offer and sale of business opportunities. The Administrator of the Department issued a Notice of Opportunity for Hearing with the Recommendation attached (Notice) on July 1, 2008. Pursuant to Section 818.F of the Act, the Notice was mailed to Respondent, by certified mail, return receipt requested, and delivery restricted on June 23, 2008. The Notice was returned to the Department by the U.S. Postal Service, marked "Return to Sender, Refused". No request for a hearing has been received by the Administrator.

The Administrator of the Department, being fully advised in this matter, finds that the issuance of this order is in the public interest and hereby adopts the Findings of Fact and Conclusions of Law set forth in the Recommendation, attached hereto as Exhibit A, and incorporated herein by reference.

IT IS HEREBY ORDERED that Premier Cards, Burns, Harris, Bentley, Templeton, and Turner cease and desist from the offer and/or 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 4th day of August, 2008.

(SEAL)



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

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 4th day of August, 2008, 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:

Premier Cards, Inc.
One Liberty Building
1650 Market St., Ste. 3600
Philadelphia, PA 19103-7334

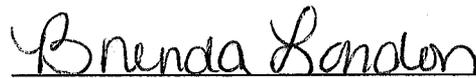
Timothy Harris
One Liberty Building
1650 Market St., Ste. 3600
Philadelphia, PA 19103-7334

Paul Bentley
One Liberty Building
1650 Market St., Ste. 3600
Philadelphia, PA 19103-7334

John Turner
One Liberty Building
1650 Market St., Ste. 3600
Philadelphia, PA 19103-7334

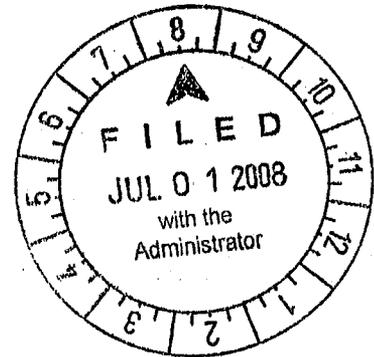
Michael J. Burns
One Liberty Building
1650 Market St., Ste. 3600
Philadelphia, PA 19103-7334

Templeton Placement Services
One Liberty Building
1650 Market St., Ste. 3600
Philadelphia, PA 19103-7334



Brenda London
Paralegal

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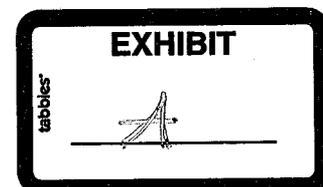
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ENFORCEMENT DIVISION RECOMMENDATION

Pursuant to the Oklahoma Business Opportunity Sales Act (Act), Okla. Stat. tit. 71, §§ 801-829 (2001), an investigation was conducted into the activities of Premier Cards Inc. (Premier Cards), Michael J. Burns (Burns), Timothy Harris (Harris), Paul Bentley (Bentley), Templeton Placement Services (Templeton Services) and John Turner (Turner), in connection with the offer and/or sale of a business opportunity in and/or from the state of Oklahoma. Based thereon, the following Findings of Fact, Authorities and Conclusions of Law are submitted to the Administrator of the Oklahoma Department of Securities (Administrator) in support of the issuance of an order to cease and desist against Respondents.

Findings of Fact

1. Premier Cards was incorporated in the state of Colorado on April 10, 2007, and maintains its corporate address at 1650 Market Street, Suite 3600, One Liberty Building, Philadelphia, Pennsylvania. Premier Cards is in the business of selling greeting card distributorships. At all times material hereto, Premier Cards maintained a web site at <http://www.PremierCardsInc.com/>.
2. Burns is president of Premier Cards.
3. Harris is vice president and the director of operations for Premier Cards.
4. Bentley is a sales person for Premier Cards.
5. Templeton Services is a company recommended by Premier Cards to find available locations for the placement of vendor racks for Premier Cards' distributors.



6. At all times material hereto, Turner was an agent of Templeton Services.

7. On June 18, 2007, S. Frisby, an Oklahoma resident, saw a newspaper advertisement in the *Joplin Globe* offering the sale of greeting card distributorships by Premier Cards.

8. Frisby telephoned the number contained in the ad and spoke with an individual who identified himself as Bentley. Bentley told Frisby that Premier Cards was offering five (5) distributorship options from which purchasers could choose. The options were designated as: (1) the Entry Level Distributorship, (2) the Bronze Level Distributorship, (3) the Silver Level Distributorship, (4) the Gold Level Distributorship, and (5) the Platinum Level Distributorship. Each option provided for a certain number of display racks and ranged in cost from \$19,500 for ten (10) display racks to \$79,200 for fifty (50) display racks. Along with the display racks, the price of each option included greeting card inventory for initial setup and the cost of obtaining locator Service.

9. Bentley advised Frisby that purchasers of an Entry Level Distributorship could expect to make a profit of \$1.63 from each card that was sold from a display rack and that Premier Cards would guarantee the sale of at least five (5) cards a day per store location with a weekly income of approximately \$570 for a period of five (5) years.

10. Bentley referred Frisby to Turner to discuss the stores where Templeton Services could secure profitable locations for the placement of Turner's display racks. Turner told Frisby that he had at least seventy-one (71) available corporate store locations, such as Wal-Mart and Walgreens, in the Tulsa area and that these stores would give Frisby a one year contract if she should place her display racks in their stores. Turner also explained to Frisby that if she did not meet the Premier Card's guaranteed sales minimum, Templeton Services would relocate her display racks.

11. Frisby discussed the possibility of purchasing a Silver Level Distributorship with Harris. Harris provided Frisby with the names of three (3) current distributors as references for Premier Cards. Frisby contacted the references. Each reference reported that their distributorships were profitable and easy to manage.

12. Premier Cards provided Frisby with written materials regarding its distributorships. The promotional materials included information and data demonstrating the return on investment that a distributor could expect after seven (7), five (5), 3.6 and 2.5 months, at each of the five levels of participation offered by Premier Cards.

13. On or about June 20, 2007, Frisby contacted Harris for the purpose of purchasing the Silver Level Distributorship, at a cost of \$49,900. Harris explained that Frisby, upon execution of a Silver Level Distributorship Agreement (Agreement), would be required to make an initial deposit of \$24,950, with a balance due of \$20,450, to be paid upon notice from Premier Cards that the display racks and cards were ready for shipment. The remaining \$4,500 was to be paid to the locator, Templeton Services.

Harris also advised Frisby that once she had her business operating he would come to Oklahoma to meet with her personally.

14. On June 20, 2007, Premier Cards faxed Frisby an Agreement for the purchase of a Silver Level Distributorship.

15. The Agreement included the following language:

6. If locations cannot be provided for *Distributor's* Display Racks, a full refund will be given *Distributor*. "Full refund" constitutes Cost of Racks; Cost of Location Fees; and Cost of Cards (purchased subsequent to this Agreement).

7. Premier guarantees that Distributor will return its investment of \$49,900 from the sales from Distributor's Display Racks purchased by the Distributor from Premier, subject to the terms of this Agreement, within seven (7) months from the date of installation of such Display Racks by Locator on Locations(s) secured by Locator pursuant to this Agreement. Premier will replace or refund the difference of the cost of the Display Racks less the Net Revenues sold during the seven (7) month period if said Display Racks fail to perform pursuant to Paragraph 3 of this Agreement.

16. On or about June 20, 2007, Frisby signed the Silver Level Distributorship Agreement and faxed it to Premier Cards. The agreement was signed by Burns on behalf of Premier Cards. On June 21, 2007, Frisby wired a down payment to Premier Cards in the amount of \$24,950. The funds were wired to BANCO INTERFIN, S.A., for final credit to Premier Cards Inc.

17. On June 26, 2007, Frisby was notified by Premier Cards that her display racks and cards would be shipped for receipt by Frisby in three (3) to five (5) days. Frisby wired \$24,950 to Premier Cards on that date.

18. Frisby did not receive the display racks and cards until July 25, 2007. Upon receiving the shipment, Frisby called Turner at Templeton Services. Frisby was advised that Turner had left the company and that she should contact "Specialty Marketing," another locator company. The services offered by Specialty Marketing were substantially different from those described to Frisby by Templeton Services, including the types of stores in which the display racks would be placed and the cities in which the display racks would be located.

19. To date, Harris has not traveled to Oklahoma to meet with Frisby. Since the date that Frisby made her final payment on the distributorship, Harris has refused to communicate with Frisby.

20. On several occasions, Frisby has requested that her display racks be relocated because they have failed to perform as guaranteed by Premier Cards, Harris and Bentley. To date, Premier Cards has failed to arrange for the display racks to be relocated.

21. The Premier Cards distributorships offered and sold by Respondents are not registered under the Act.

22. Respondents omitted to disclose the following facts in connection with the offer and sale of the distributorship:

- a. that the distributorship was not registered under the Act and was not exempt from registration under the Act;
- b. that Harris would not communicate with Frisby after she had paid for the distributorship; and
- c. that the business location of Premier Cards is a mail drop.

23. Respondents made untrue statements 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 including, but not limited to:

- a. that Frisby's display racks would be placed in corporate locations in Tulsa, Oklahoma, when in fact the display racks were located in independently operated stores located within a three hundred mile radius of Tulsa, Oklahoma;
- b. that Harris would travel to Oklahoma to meet with Frisby; and
- c. that Premier Cards guaranteed the sale of at least five (5) cards a day per store location with a weekly income of approximately \$570 for a period of five (5) years.

Authorities

1. Section 802 of the Act provides in pertinent part:

* * *

3.a. "*Business opportunity*" means a contract or agreement, between a seller and purchaser, express or implied, orally or in writing, wherein it is agreed that the seller or a person recommended by the seller shall provide to the purchaser any products, equipment, supplies or Service enabling the purchaser to start a business and the seller represents directly or indirectly, orally or in writing, that:

(1) The seller or a person recommended by the seller will provide or assist the purchaser in finding locations for the use or operation of vending machines, racks, display cases or other similar devices, on premises neither owned nor leased by the purchaser or seller;

* * *

(5) The seller will refund all or part of the price paid to the seller, or repurchase any of the products, equipment or supplies provided by the seller or a person recommended by the seller, if the purchaser is dissatisfied with the business[.]

7. "Offer" or "offer to sell" includes every attempt to dispose of a business opportunity for value or solicitation of an offer to purchase a business opportunity.

* * *

11. "Sale" or "sell" includes every contract or agreement of sale, contract to sell, disposition of a business opportunity or interest in a business opportunity for value.

2. Section 806 of the Act provides:

It is unlawful for any person to offer or sell any business opportunity, as defined in Section 802 of this title, in this state unless the business opportunity is registered under the provisions of the Oklahoma Business Opportunity Sales Act or is exempt under Section 803 of this title.

3. Section 814 of the Act provides in pertinent part:

A. Whenever it appears to the Administrator that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of the Oklahoma Business Opportunity Sales Act or any rule or order hereunder, the Administrator may:

1. Issue an order directing each person to cease and desist from continuing the act or practice and/or issue an order imposing a civil penalty up to a maximum of Five Thousand Dollars (\$5,000.00) for a single violation or transaction or of Fifty Thousand Dollars (\$50,000.00) for

multiple violations or transactions in a single proceeding or a series of related proceedings[.]

4. Section 818 of the Act provides in pertinent part:

A. The provisions of the Oklahoma Business Opportunity Sales Act concerning sales and offers to sell apply to persons who sell or offer to sell when:

1. An offer to sell is made in this state;
2. An offer to purchase is made and accepted in this state; or
3. The purchaser is domiciled in this state and the business opportunity is or will be operated in this state.

* * *

C. For the purpose of this section, an offer to sell is accepted in this state when acceptance:

1. Is communicated to the offeror in this state; and
2. Has not previously been communicated to the offeror, orally or in writing, outside this state; and acceptance is communicated to the offeror in this state, whether or not either party is then present in this state when the offeree directs it to the offeror in this state reasonably believing the offeror to be in this state and it is received at the place to which it is directed or at any post office in this state in the case of a mailed acceptance.

5. Section 819 of the Act provides:

It is unlawful for any person, in connection with the offer or sale of any business opportunity in this state, directly or indirectly:

* * *

2. To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or

3. To engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

Conclusions of Law

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

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

3. 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.

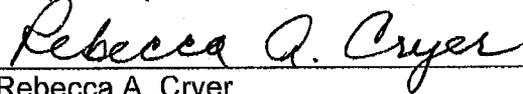
4. Respondents made untrue statements of material fact and omitted to state material facts in connection with the offer and sale of a business opportunity in and/or from this state, in violation of Section 819 of the Act.

5. 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.

WHEREFORE, it is recommended that the Administrator issue an order against Respondents to cease and desist the offer and sale of business opportunities in and/or from this state in violation of Sections 806 and 819 of the Act.

Dated this 1st day of July, 2008.

Respectfully Submitted,



Rebecca A. Cryer
Enforcement Attorney
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, OK 73102
(405) 280-7700