

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
THE 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

NOTICE OF SERVICE ON THE ADMINISTRATOR
AND
AFFIDAVIT OF COMPLIANCE

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

The undersigned affiant, of lawful age, being first duly sworn upon oath deposes and states:

1. That he is the Administrator of the Oklahoma Department of Securities (Department).

2. That a copy of the Notice of Opportunity for Hearing (Notice) with Enforcement Division Recommendation (Recommendation) attached was delivered to Affiant in the office of the Administrator pursuant to Section 818 of the Oklahoma Business Opportunity Sales Act (Act), Okla. Stat. tit. 71, §§ 801-829 (2001).

3. That this Affidavit of Compliance shall serve as notice that the Administrator has received service of process on behalf of Respondent, pursuant to Section 818 of the Act.

4. That a copy of the Notice, with the Recommendation attached, and a copy of this Affidavit have not been mailed by certified mail to the last known address of Respondent, in compliance with Section 818 of the Act, because the address of Well Off Network is unknown and after reasonable efforts the address of Respondent cannot be found.

5. That this Affidavit is declared filed of record as of the date set forth below in compliance with Section 818 of the Act.

FURTHER AFFIANT SAYETH NOT.

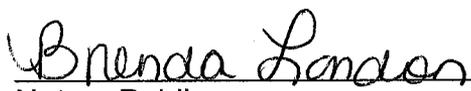
Dated this 6th day of April, 2008.

(SEAL)



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

Subscribed and sworn to before me this 6th day of April, 2008.



Notary Public

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



In the Matter of:

Well Off Network,

Respondent.

File No. ODS 08-069

NOTICE OF OPPORTUNITY FOR HEARING

1. Pursuant to his authority under Section 813 of the Oklahoma Business Opportunity Sales Act (Act), Okla. Stat. tit. 71, §§ 801-829 (2001), the Administrator of the Oklahoma Department of Securities (Department) authorized an investigation into the activities of Well Off Network, in connection with the offer, sale, and/or purchase of a business opportunity in and/or from Oklahoma.

2. On the 4th day of April, 2008, the attached Enforcement Division Recommendation (Recommendation) was left in the office of the Administrator.

3. Pursuant to Section 814.B of the Act, the Administrator hereby gives notice to Respondent of the right to request a hearing to show why an order based on the Recommendation should not be issued.

4. The request for a hearing on the Recommendation must be received by the Administrator within fifteen (15) days after service of this Notice. Pursuant to Section 814.B of the Act, failure to request a hearing as provided for herein shall result in the issuance of an order against Respondents to cease and desist the offer and sale of business opportunities in violation of Sections 806 and 819 of the Act.

5. The request for hearing shall be in writing and Respondent shall specifically admit or deny each allegation made in the Recommendation as required by 660:2-9-1(c) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules).

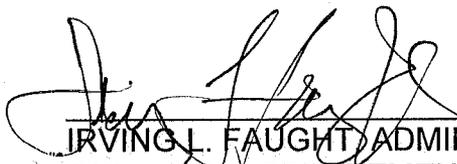
6. Upon receipt of a written request, pursuant to 660:2-9-2 of the Rules, a hearing on this Notice shall be set within sixty (60) days or a written order denying hearing shall be issued.

7. Notice of the date, time, and location of the hearing shall be given to Respondent not less than ten (10) days in advance thereof pursuant to 660:2-9-3(a) of

the Rules. Additionally, the notice may contain matters to supplement this Notice and the Recommendation attached hereto.

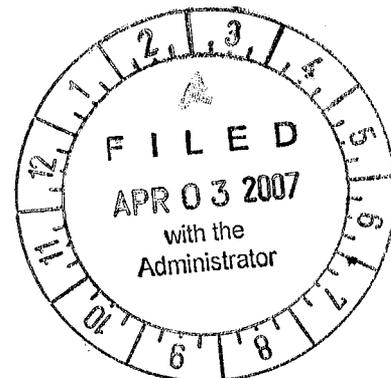
Witness my Hand and the Official Seal of the Oklahoma Department of Securities
this 10th day of April, 2008.

(SEAL)



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

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

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 Well Off Network, 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 Respondent.

Findings of Fact

1. Well Off Network ("Respondent") maintains a website at www.welloffnetwork.com that promotes the offer and sale of "Membership Packages" in an internet based program. Well Off Network represents that its membership program allows members to operate a home based business that puts members "in the position to make money Forever!"

2. To become a member of the Well Off Network, purchasers are required to sign up online and are 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" receives a password that allows access to protected areas of Well Off Network's website. The Member then receives specific information as to whom they should contact and to whom they should pay their membership fee.

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

4. A Confirmed Member must 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 must send payment of their membership fee to the person who brought in the Qualified Member. Thereafter, all new

members brought in by the Qualified Member are in Qualified Member's membership line and Qualified Member receives payment of their membership fees. There is no limit as to how many membership lines a Qualified Member may create.

5. Well Off Network represents that it provides 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 are offered an option to pay an annual fee of \$120 for "The Well Off Network Back Office," a system that tracks 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 has 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 is a business opportunity;
- (b) that the Membership Package is not registered under the Act nor is it 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 has not filed consent to service of process with the Administrator.

10. 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.

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 services enabling the purchaser to start a business and the seller represents directly or indirectly, orally or in writing, that:

* * *

- (6) The seller will provide a marketing plan.

* * *

6. "*Marketing plan*" means advice or training, provided to the purchaser by the seller or a person recommended by the seller, pertaining to the sale of any products, equipment, supplies or services and the advice or training includes, but is not limited to, preparing or providing:

* * *

b. Training regarding the promotion, operation or management of the business opportunity[.]

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:

* * *

3. The purchaser is domiciled in this state and the business opportunity is or will be operated in this state.

* * *

F. When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by the Oklahoma Business Opportunity Sales Act or any rule or order hereunder, and the person has not filed a consent to service of process under subsection E of this section, that conduct shall be considered equivalent to the person's appointment of the Administrator or the Administrator's successor in office to be the person's agent to receive service of any lawful process in any noncriminal suit, action or proceeding against the person or the person's successor, executor or administrator which grows out of that conduct and that is brought pursuant to the Oklahoma Business Opportunity Sales Act or any rule or order hereunder with the same force and validity as if served on the person personally. Service on the Administrator may be made by leaving a copy of the process in the office of the Administrator, and it is not effective unless:

1. The plaintiff, who may be the Administrator in a suit, action or proceeding instituted by the Administrator, promptly sends notice of the service and a copy of the process by certified mail, return receipt requested and delivery restricted to the addressee, to the defendant or respondent at the defendant's or respondent's last-known address or takes other steps that are reasonably calculated to give actual notice; and

2. The plaintiff's affidavit of compliance with this subsection is filed in the suit, action, or proceeding on or before the return day of the process, if any, or within such further time as the court, or the Administrator in a proceeding before the Administrator, allows.

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.
6. Section 823 of the Act provides in part:
 - A. Any person who willfully violates Section [806], subsection A of Section [808], subsection A of Section [809], Sections [811], [819], [821] or [822] of the Oklahoma Business Opportunity Sales Act or who willfully violates any rule under the act or who willfully violates any order of which the person has notice, or who violates Section [820] of the Oklahoma Business Opportunity Sales Act knowing that the statement made was false or misleading in any material respect, shall be guilty of a felony and may upon conviction be fined not more than Ten Thousand Dollars (\$10,000.00) or imprisoned not more than ten (10) years or both for each offense. Each of the acts specified shall constitute a separate offense and a prosecution or conviction for any one of such offenses shall not bar prosecution or conviction for any other offense.

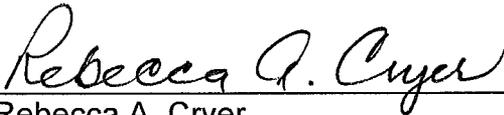
Conclusions of Law

1. 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 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 this state in violation of Section 819 of the Act.

WHEREFORE, it is recommended that the Administrator issue an order against Respondent 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 3rd day of April, 2008.

Respectfully Submitted,



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