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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: James Wayne Long, CRD #2854149
Melvin Donald Ruth
Donna Weldon
Sandra Ratajczak
Par Three Financial, Inc.
101 Convention Center Dr. Suite 850
Las Vegas, NV 89109

DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Par Three Financial, Inc. (“Par Three”) is a Nevada corporation that was formed on December 17, 1998. Its address of record filed with the Nevada Secretary of State is 101 Convention Center Drive, Suite 850, Las Vegas, NV 89109.

2. Par Three engaged in no active business operations until late 2003 when it came under the control of Melvin Donald Ruth (“Ruth”) and James Wayne Long (“Long”). In November of 2003 Ruth and Long caused Par Three to register as a new business in Nevada and to set up a website at www.parthreefinancial.com.

3. Beginning in or about early 2004, Ruth and Long caused Par Three to begin offering investments to the general public by promising returns of 2%-3% per month, 24%-36% per year. Par

1 Three sought investors by means including general advertisements, including an advertisement
2 placed with the San Francisco Chronicle.

3
4 4. Donna Weldon (“Weldon”) and Sandra Ratajczak (“Ratajczak”) are staff persons at Par
5 Three who regularly provided information to prospective Par Three investors. Donna Weldon has
6 regularly used the title Senior Accounts Representative.

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8 5. Par Three never registered with the California Secretary of State to do business in
9 California as required by Corporations Code section 2105.

10
11 6. Each Par Three investor received a written agreement from Par Three titled Accounts
12 Receivable Purchase Agreement or Accounts Receivable Purchase Loan Agreement and Accounts
13 Receivable Purchase Note. The agreements were usually signed by Long as “Vice President” on
14 behalf of Par Three and witnessed by Weldon or Ratajczak. Par Three, Ruth, Long, Weldon and
15 Ratajczak represented to prospective investors that their investment funds would be loaned to retail
16 payday loan businesses to finance their operations. According to its website, Par Three received 5-
17 10% a month in fee payments from the retail payday loan businesses for the loans and was able to
18 pay the promised return to its investors from those sums.

19
20 7. Par Three investors were told that the retail payday loan businesses funded by Par Three
21 investors included retail outlets of Cash Plus Financial USA, Inc. in Boca Raton, Florida. Cash Plus
22 Financial USA, Inc. is a Florida corporation that was filed on February 19, 2004. It changed its name
23 to Cash Club USA, Inc. on March 23, 2005 and maintains a website at www.thecashclubusa.com.
24 Steve Hoffman is the president of Cash Club USA, Inc. and Ron Hammers is a company
25 representative. On some occasions Ron Hammers has also been identified as an officer or agent of
26 Par Three.

1 8. Par Three investors were also offered the opportunity to make higher returns by recruiting
2 new Par Three investors. Par Three investors were promised that for each person whom they
3 recruited and who opened a minimum account of \$10,000 at Par Three, the recruiting investor would
4 receive a \$200 cash referral fee and ½% per month (6% per annum) of the total account balance of
5 each person referred, for the duration of that person’s participation in the Par Three program. In
6 August of 2004 Par Three investors were informed by letter that Par Three was not advertising for
7 new investors because of the success of the referral program.

8
9 9. Par Three, Ruth, Long, Weldon and Ratajczak induced investments in Par Three by means
10 of representations that were false or misleading and by means of omissions of material facts. As one
11 example, Par Three, Ruth, Long, Weldon and Ratajczak failed to inform prospective California
12 investors that Par Three has never qualified to do business in California. Par Three, Ruth, Long,
13 Weldon and Ratajczak also regularly informed prospective investors that Par Three has a “triple A”
14 rating with Dun & Bradstreet when in fact Par Three does not have such a rating and Dun &
15 Bradstreet does not offer such a rating. Par Three, Ruth, Long, Weldon and Ratajczak also regularly
16 informed prospective investors that Par Three was seven or eight years old, but failed to inform
17 investors that the company had only recently been taken over by new owners and managers and that
18 its investment program was new.

19
20 10. Par Three, Ruth, Long, Weldon and Ratajczak held persons out as officers of Par Three
21 who had no actual involvement with the company’s operations but instead were mere “nominee
22 officers” who allowed Par Three to list them as officers for a fee. Most recently, for example, Par
23 Three listed Donald D. Merritt as the sole company officer in a filing with the Nevada Secretary of
24 State. Donald D. Merritt is the President of American Management Group, Inc. a firm in Carson
25 City, Nevada that provides “nominee officers” for a fee of \$500.00,
26 www.americanmg.com/CorporateBusinessCenter.html.

1 11. Par Three, Ruth and Long concealed the fact that Ruth and Long were the persons
2 actually controlling Par Three. Par Three, Ruth, Long, Weldon and Ratajczak failed to inform
3 prospective investors that Ruth and Long have been involved together in prior unlawful payday loan
4 investment schemes. They have concealed the fact that one prior payday loan scheme Ruth and Long
5 were involved in, called Payday Today USA, defrauded approximately 500 people in the total
6 amount of approximately \$12 million. They have concealed the fact that Ruth was convicted in a
7 federal prosecution filed July 13, 2000 in the Southern District of Florida, United States of America
8 v. Ruth, Case Number 00-CR-6193-ALL, arising out of the operations of Payday Today USA, and
9 that Ruth was sentenced to thirty three months in prison in January of 2001 after entering a guilty
10 plea in the matter.
11

12 12. Prior to the beginning of July, 2005, Par Three investors regularly received income
13 checks at the beginning of each month. During the early months of the program the monthly checks
14 usually arrived with a letter bearing the signature of Long. Beginning in February of 2005 the letters
15 no longer listed any individual in the signature block but instead reflected only that they were from
16 the Par Three Operations Department. In July of 2005 the investors' monthly checks failed to arrive.
17 Instead, investors received an unsigned letter on Par Three letterhead dated July 11, 2005 in the name
18 of the Par Three Operations Department, which claimed that the failure was the result of "fraudulent
19 Government checks that were cashed all over the country and many with our clients." The checks
20 purportedly prevented the payday loan stores from making their monthly payments to Par Three.
21 The letter stated that Par Three was liquidating assets in order to make investor payments without
22 further delay.
23

24 13. The Par Three income payments for July of 2005 were never made. Investor checks for
25 the month of August, 2005 also failed to arrive. At that point it became difficult for investors to
26 reach company staff. Investors who called the Par Three phone number frequently reached only
27 voicemail boxes that were full of messages.
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1 Based upon the foregoing findings, the California Corporations Commissioner is of the
2 opinion that the Accounts Receivable Purchase Agreements or Accounts Receivable Purchase Loan
3 Agreements and Accounts Receivable Purchase Notes that have been issued to investors by Par Three
4 Financial, Inc. are securities which are subject to qualification under the California Corporate
5 Securities Law of 1968 which have been offered by Par Three Financial, Inc., Melvin Donald Ruth,
6 James Wayne Long, Donna Weldon and Sandra Ratajczak without being qualified, in violation of
7 section 25110 of the California Corporations Code. Pursuant to section 25532 of the Corporate
8 Securities Law of 1968, Par Three Financial, Inc., Melvin Donald Ruth, James Wayne Long, Donna
9 Weldon and Sandra Ratajczak are hereby ordered to desist and refrain from the further offer or sale in
10 the State of California of securities in the form of Accounts Receivable Purchase Agreements or
11 Accounts Receivable Purchase Loan Agreements and Accounts Receivable Purchase Notes unless
12 and until qualification has been made pursuant to the Corporate Securities Law of 1968 or unless
13 exempt.

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15 The California Corporations Commissioner is of the further opinion that Par Three Financial,
16 Inc., Melvin Donald Ruth, James Wayne Long, Donna Weldon and Sandra Ratajczak have offered
17 and are currently offering securities in the form of Accounts Receivable Purchase Agreements or
18 Accounts Receivable Purchase Loan Agreements and Accounts Receivable Purchase Notes by means
19 of misrepresentations of material fact and by means of communications which have omitted material
20 facts necessary in order to make the statements made, in the light of the circumstances under which
21 they were made, not misleading, in violation of section 25401 of the Corporate Securities Law of
22 1968. Par Three Financial, Inc., Melvin Donald Ruth, James Wayne Long, Donna Weldon and
23 Sandra Ratajczak have failed to inform prospective California investors that Par Three Financial, Inc.
24 has never qualified to do business in California. They have implied or misrepresented that Par Three
25 Financial, Inc. has been offering investments for years longer than it has actually been engaging in
26 that activity. They have represented that Par Three Financial, Inc. is "triple A" rated by Dun &
27 Bradstreet when in fact Dun & Bradstreet does not offer such a rating. They have falsely represented
28 persons to be active officers of Par Three Financial, Inc. in order to conceal the identities of the

1 persons actually in control of Par Three, their involvement in prior investment schemes, and the prior
2 criminal conviction of Melvin Donald Ruth.

3
4 Pursuant to section 25532 of the Corporate Securities Law of 1968, Par Three Financial, Inc.,
5 Melvin Donald Ruth, James Wayne Long, Donna Weldon and Sandra Ratajczak are hereby ordered
6 to desist and refrain from offering or selling or buying or offering to buy any security in the State of
7 California, including but not limited to Accounts Receivable Purchase Agreements or Accounts
8 Receivable Purchase Loan Agreements and Accounts Receivable Purchase Notes, by means of any
9 written or oral communication which includes an untrue statement of a material fact or omits to state
10 a material fact necessary in order to make the statements made, in the light of the circumstances
11 under which they were made, not misleading.

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13 This Order is necessary, in the public interest, for the protection of investors and consistent
14 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

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16 Dated: August 19, 2005
17 Los Angeles, California

18 WAYNE STRUMPFER
19 Acting California Corporations Commissioner

20 By _____
21 ALAN S. WEINGER
22 Acting Deputy Commissioner