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

TO: Richard I. Byrne
Friends United Network, Inc. a.k.a. Friends United Network
FUN Group, LLC
Debt Solution Ministries, Inc. a.k.a. Debt Solutions Ministries
2686 Johnson Drive #201
Ventura, California 93003

1746-F S. Victoria Avenue #385
Ventura, California 93003

DESIST AND REFRAIN ORDER

(For violations of Corporations Code sections 25110 and 25401)

The California Corporations Commissioner finds that:

1. At all relevant times, Richard I. Byrne (“Byrne”) is or was an officer and/or managing member of a number of entities including Friends United Network, Inc. also known as Friends United Network; FUN Group, LLC; Debt Solution Ministries, Inc. also known as Debt Solutions Ministries; and FUN Group USA, Inc. Byrne conducted business at 2686 Johnson Drive #201, Ventura, California 93003 and/or 1746-F S. Victoria Avenue #385, Ventura, California 93003.

2. At all relevant times, Friends United Network, Inc. also known as Friends United Network (“FUN”), a revoked Nevada corporation, conducted business at 2686 Johnson Drive #201, Ventura, California 93003, and/or 1746 South Victoria Avenue #385, Ventura, California 93003. FUN claimed to be a humanitarian organization that anyone and everyone, regardless of income, could join for a yearly membership fee of \$36. Membership in FUN provided members with the opportunity to join one of FUN’s “programs” that included placing investors’ money into private placement offerings. FUN raised at least \$2.4 million from investors, during the period of December 2004 through April 2010.

1 3. At all relevant times, FUN Group, LLC (“FUN Group”), a Nevada limited liability
2 company in default, conducted business at 2686 Johnson Drive #201, Ventura, California 93003
3 and/or 1746 South Victoria Avenue #385, Ventura, California 93003. FUN Group purported to be a
4 “multi-functional humanitarian organization.” FUN Group also claimed that it had “some of the
5 greatest wealth-building programs ever created.” In addition FUN Group stated, “FUN consists of 6
6 divisions which are:

- 7 1. Wealth Division
- 8 2. Health Division
- 9 3. Environmental Division
- 10 4. Self-Improvement Division
- 11 5. Protection Division
- 12 6. Recreational Division”

13 FUN Group is either another name for FUN or a subsidiary of FUN that solicited FUN members to
14 invest in FUN’s “programs. ” FUN Group raised at least \$1.3 million from investors, during the
15 period of March 2005 through June 2010.

16 4. At all relevant times, Debt Solution Ministries, Inc. also known as Debt Solutions
17 Ministries (“Debt Solution”), a suspended California corporation, conducted business at 1746-F S.
18 Victoria Avenue #385, Ventura, California 93003. Debt Solution claimed to be a division of FUN.
19 Debt Solution raised at least \$702,998 from investors, during the period of August 2008 through
20 January 2010, most if not all of the funds were raised through an offering known as “Jerry’s Fund.”

21 5. At all relevant times, Byrne; FUN; FUN Group; and Debt Solution maintained various
22 websites including but not limited to: www.funsolution.biz; www.funtimenow.com, and
23 www.funtimenow.info. The website at www.funsolution.biz contained a document entitled “Fortune
24 200” Memorandum of Understanding (“MOU”) dated July 23, 2010, which instructed potential
25 investors to send their membership fees and investments via online credit card purchase, check,
26 money order, or wire. The MOU, at paragraph no.6, stated, in relevant part, that upon signing the
27 MOU, the investor was “committed to BUY UBIs at \$1/UBI & shall receive returns as follows: A
28 matching \$ Amount for 12 months; then 10 times the Contribution/mo. for 12 more months (based on

1 5 million members ave[rage])” Included on the website was a “FUN Mailing Kit,” and within
2 that section of the website was a document identified as “Membership Application/Settlement” which
3 stated, “Please make all purchases/donations payable to: FUN, 2686 Johnson Drive, Suite 201,
4 Ventura CA 93003. Toll Free Order Line: (800) 242-9120 & FAX: (805) 658-1937. International
5 Order Line: (805) 677-1530 & FAX Line: (805) 658-1937; Website: www.funtime.com; FOD (888)
6 248-3558.”

7 6. Since at least December 2004, Byrne; FUN; FUN Group; and Debt Solution offered
8 and sold securities to investors, including but not limited to, investment contracts in the form of Units
9 of Beneficial Interests (“UBI”) or Mini UBIs in FUN.

10 7. Since at least August 2008, Byrne; FUN; FUN Group; and Debt Solution offered and
11 sold securities to investors, including but not limited to, investment contracts in an offering known as
12 “Jerry’s Fund.”

13 8. These securities were offered and sold in this state in issuer transactions. The
14 Department of Corporations has not issued a permit or other form of qualification authorizing any
15 person to offer or sell these securities in this state.

16 9. Byrne; FUN; FUN Group; and Debt Solution offered and sold these investment
17 contracts by means of written and oral communications which included untrue statements of material
18 facts and which omitted to state material facts necessary in order to make the statements made, in the
19 light of the circumstances under which they were made, not misleading. The material misstatements
20 and/or omissions include:

21 a. Byrne misrepresented to at least one investor that his \$500 investment in the
22 Capitalization Private Placement Offering would earn him \$4,000.00 the first month when in fact, he
23 failed to receive any return.

24 b. Byrne misrepresented to at least one investor that his investments in the Private
25 Placement Programs would yield 800 % to 8,000% in profit when in fact the investor has failed to
26 receive any return on his investments.

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1 c. Byrne misrepresented to at least one investor that the payout for Jerry's Fund
2 was to be "10 to 1" when in fact, the investor failed to receive any return on the investment.

3 d. Byrne failed to disclose the risks of the proposed investments to the investors.

4 Based upon the foregoing findings, the California Corporations Commissioner is of the
5 opinion that Richard I. Byrne, Friends United Network, Inc. a.k.a. Friends United Network; FUN
6 Group, LLC; and Debt Solution Ministries, Inc. a.k.a. Debt Solutions Ministries engaged in the offer
7 and sale of securities, including but not limited to, investment contracts in the form of Units of
8 Beneficial Interests or Mini UBIs and investment contracts in an offering known as Jerry's Fund.
9 Those securities have not been qualified under the California Corporate Securities Law of 1968, in
10 violation of section 25110 of the Corporations Code. Pursuant to Corporations Code section 25532
11 of the Corporate Securities Law of 1968, Richard I. Byrne, Friends United Network, Inc. a.k.a.
12 Friends United Network; FUN Group, LLC; and Debt Solution Ministries, Inc. a.k.a. Debt Solutions
13 Ministries are hereby ordered to desist and refrain from the further offer or sale of securities, in the
14 State of California, including but not limited to, investment contracts in the form of Units of
15 Beneficial Interests and investment contracts in an offering known as Jerry's Fund unless and until
16 qualification has been made under said law or unless exempt.

17 Furthermore, based upon the foregoing findings, the California Corporations Commissioner is
18 of the opinion that Richard I. Byrne, Friends United Network, Inc. a.k.a. Friends United Network;
19 FUN Group, LLC; and Debt Solution Ministries, Inc. a.k.a. Debt Solutions Ministries offered and
20 sold securities, including but not limited to, investment contracts in the form of Units of Beneficial
21 Interests or Mini UBIs and investment contracts in an offering known as Jerry's Fund, by means of
22 written and oral communications including untrue statements of material facts and omissions of
23 material facts necessary to make the statements, in the light of the circumstances under which they
24 were made, not misleading, in violation of section 25401 of the Corporations Code. Pursuant to
25 Corporations Code section 25532 of the Corporate Securities Law of 1968, Richard I. Byrne, Friends
26 United Network, Inc. a.k.a. Friends United Network; FUN Group, LLC; and Debt Solution
27 Ministries, Inc. a.k.a. Debt Solutions Ministries are hereby ordered to desist and refrain from offering
28 or selling any security in the State of California by means of any written or oral communication

1 which includes an untrue statement of a material fact, or omits to state a material fact necessary in
2 order to make the statements made, in the light of the circumstances under which they were made, not
3 misleading.

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

6 Dated: August 5, 2011
7 Los Angeles, California

8 PRESTON DuFAUCHARD
9 California Corporations Commissioner

10 By _____
11 ALAN S. WEINGER
12 Deputy Commissioner
13 Enforcement Division
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