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

TO: Bruce A. Berman  
Prepaid Card Holdings, Inc.  
PrepaYd, Inc.  
20271 SW Acacia Street  
Newport Beach, CA 92660  
  
18500 Von Karman Ave.  
Irvine, CA 92712  
  
2850 W. Horizon Ridge Parkway #200  
Henderson, NV 89052  
and  
www.prepayd.com

**DESIST AND REFRAIN ORDER AND CONSENT**

(For violations of section 25110 of the Corporations Code)

Prepaid Card Holdings, Inc., PrepaYd, Inc. and Bruce A. Berman (collectively “Respondents”) consent to the jurisdiction of the California Department of Corporations over their persons and over the subject matter of this proceeding. Further, without admitting or denying the below Findings, Respondents consent to the entry of this Desist and Refrain Order and Consent, made pursuant to California Corporations Code section 25110.

Respondents acknowledge that they voluntarily enter into this Desist and Refrain Order and Consent, without notice of further proceedings. Further, Respondents stipulate and agree that they have entered into the Desist and Refrain Order and Consent without coercion, and acknowledge that no promises, threats or assurances have been made by the California Corporations Commissioner or any officer, or agent thereof to induce them to enter into the Desist and Refrain Order and Consent.

1 Respondents stipulate and agree that if any paragraph, clause, or provision of the Desist and  
2 Refrain Order and Consent, or the application thereof, is held invalid or unenforceable, such decision  
3 shall affect only the paragraph, clause or provision so construed or interpreted, and the invalidity  
4 shall not affect the provisions or the application of the Desist and Refrain and Consent, which can be  
5 given effect without the invalid provisions or application, and to this end, the provisions of the Desist  
6 and Refrain and Consent, are declared by Respondent and the California Corporations Commissioner  
7 to be severable.

8 Respondents stipulate and agree that the Desist and Refrain Order and Consent may be  
9 executed in one or more separate counterparts, each of which when so executed, shall be deemed an  
10 original. Such counterparts shall together constitute and be one and the same instrument.

11 This Desist and Refrain Order and Consent shall be a resolution of any and all claims by the  
12 Department of Corporations arising out of any conduct or activity committed by Respondents in the  
13 offer or sale of securities in Prepaid Card Holdings, Inc. and PrepaYd, Inc. up to the date of the  
14 execution of this document. Furthermore, Respondents acknowledge and agree that nothing in this  
15 Desist and Refrain Order and Consent will be construed to prevent the California Corporations  
16 Commissioner from investigating, taking any enforcement action, pursuing any legal right or  
17 prosecuting Respondents, for any conduct occurring subsequent to the date on which this document is  
18 fully executed, or any other person or entity under any applicable local, state or federal statute or law,  
19 ordinance or regulation.

20 Respondents waive their right to a hearing on this matter, including that provided by  
21 California Corporations Code section 25532, subdivision (d). Further, Respondents waive any and all  
22 review by a court of law, including that provided by California Corporations Code section 25609,  
23 California Government Code section 11523 and California Code of Civil procedure section 1094.5.

#### 24 **Findings**

25 1. At all relevant times, Prepaid Card Holdings, Inc., is and was an entity of unknown form with  
26 an address of 20251 SW Acacia Street, Newport Beach, California 92660. At all relevant times,  
27 Bruce A. Berman was the Chief Executive Officer, Chairman of the Board of Directors and the  
28 control person of Prepaid Card Holdings, Inc.

1 2. At all relevant times, PrepaYd, Inc., is and was a Nevada corporation with an address of  
2 20251 SW Acacia Street, Newport Beach, California 92660. At all relevant times, Bruce A. Berman  
3 was the Chief Executive Officer, Chairman of the Board of Directors and the control person of  
4 PrepaYd, Inc.

5 3. Beginning in or about 2007, Prepaid Card Holdings, Inc., PrepaYd, Inc., Bruce A. Berman  
6 and their agents and representatives offered and sold securities, in the form of stock, in the State of  
7 California.

8 4. The purported purpose of the offering of securities in Prepaid Card Holdings, Inc. and  
9 PrepaYd, Inc. was to raise funds to facilitate Prepaid Card Holdings, Inc. and PrepaYd, Inc.'s entry  
10 into the prepaid card industry and to market the companies' prepaid cards to new and existing  
11 customers.

12 5. Respondents engaged in a public offering of securities in the State of California.

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

16 Based upon the foregoing findings, the California Corporations Commissioner is of the  
17 opinion that the securities, in the form of stock, that were offered or sold are securities subject to  
18 qualification under the California Corporate Securities Law of 1968 and are being or have been  
19 offered or sold without being qualified in violation of Corporations Code section 25110. Pursuant to  
20 section 25532 of the Corporate Securities Law of 1968, Prepaid Card Holdings, Inc., PrepaYd, Inc.,  
21 Bruce A. Berman and their agents and representatives are hereby ordered to desist and refrain from  
22 the further offer or sale in the State of California of securities, including but not limited to stock,  
23 unless and until qualification has been made under the law or unless exempt.

24 Further, PrepaYd, Inc. is hereby ordered to pay \$10,000.00 to the California Department of  
25 Corporations as an administrative penalty, no later than 30 days from the date this Desist and Refrain  
26 Order and Consent is executed by the California Corporations Commissioner.

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

3 Dated: 9/14/12

4 Bruce A. Berman, individually

5 Dated: 9/14/12

6 Prepaid Card Holdings, Inc.  
an entity of unknown form

7 By: Bruce A. Berman

8 Dated: 9/14/12

9 PrepaYd, Inc.  
a Nevada corporation

10 By: Bruce A. Berman

11 Dated: 9/16/12  
12 Sacramento, California

13 JAN LYNN OWEN  
California Corporations Commissioner

14 By: MARY ANN SMITH  
15 Deputy Commissioner