

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

TO: **Jeffrey Gordon Butler, a.k.a. Jeff G. Butler**  
**Holly Lynn Aven**  
**Patriot, Inc.**  
**Medifund Special Purpose Corporation, a.k.a.**  
**Monarch Medical Funding**  
**Genessee Capital, Inc.**  
**Global Network Providers, Inc., a.k.a.**  
**Global Network Providers (Grenada) Inc., d.b.a.**  
**Global Network Providers Grenada**  
**Onyx Capital Partners, LLC**

**28484 Via Mambrino**  
**San Juan Capistrano, CA 92675**

**DESIST AND REFRAIN ORDER**

**(For violations of sections 25110 and 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. At all relevant times herein, Jeffrey Gordon Butler (“Butler”) was an officer and/or control person of Patriot, Inc. (“Patriot”), Medifund Special Purpose Corporation (“Medifund”), a.k.a. Monarch Medical Funding (“Monarch”), Genessee Capital, Inc. (“Genessee”), Global Network Providers, Inc. (“GNP”), a.k.a. Global Network Providers (Grenada) Inc., d.b.a. Global Network Providers Grenada (“GNPG”), and Onyx Capital Partners, LLC (“Onyx”).

2. At all relevant times herein, Holly Lynn Aven (“Aven”) assisted Butler in the solicitation of investors for the above companies.

3. At all relevant times herein, Patriot was a California corporation. Patriot was incorporated on January 3, 1997, and located at 28484 Via Mambrino, San Juan Capistrano, California 92675.

4. At all relevant times herein, Medifund was a Nevada corporation. Medifund was incorporated on August 11, 1997, with a registered office of 251 Jeanell Drive, Carson City, Nevada 89703. Medifund then switched its name to Monarch on or about April 4, 2000.

5. At all relevant times herein, Genessee was a Nevada corporation. Genessee was

1 incorporated on March 2, 2000, with a registered office of 251 Jeanell Drive, Carson City, Nevada  
2 89703.

3 6. At all relevant times herein, GNP was a Nevada corporation. GNP was incorporated  
4 on September 7, 2001, with a registered office of 251 Jeanell Drive, Carson City, Nevada 89703. At  
5 all relevant times herein, GNPG was a Grenada corporation. GNPG was incorporated on January 20,  
6 2000. Butler filed a fictitious business name in Orange County, California for GNPG on June 9,  
7 2000, located at 28484 Via Mambrino, San Juan Capistrano, California 92675.

8 7. At all relevant times herein, Onyx was a Nevada corporation. Onyx was incorporated  
9 on January 5, 2004, with a registered office of 251 Jeanell Drive, Carson City, Nevada 89703.

10 8. Beginning in around November 1998 and continuing through about July 2005, Butler  
11 and Aven offered and sold securities in the form of promissory notes in the above companies in  
12 excess of \$10 million. Butler obtained this investment money by soliciting over 100 unsophisticated  
13 senior citizens and others, by offering 12% yearly interest, or payable 1% interest per month, on  
14 promissory notes having a maturity date ranging from one to two years in various business ventures  
15 where Butler was also the President, Chief Financial Officer or Managing Member.

16 9. The Medifund investment consisted of a 12% Note, which claimed to be asset backed,  
17 with a two-year period of maturity with Butler as the President. Butler and Aven solicited over \$2  
18 million from approximately 40 senior citizens and other investors into the Medifund investment  
19 starting in November 1998 and continuing to at least January 2001, when Butler through Genessee  
20 assumed the liability of the note from Medifund. This Genessee investment also consisted of a 12%  
21 Promissory Note with a new two-year period of maturity with Butler as the President. This  
22 investment supposedly involved discounted medical receivables but investors were not given specific  
23 information or any offering materials describing the investment.

24 10. The GNP and GNPG investments consisted of a 12% Promissory Note-Series 2000-A  
25 with a one-year period of maturity with Butler acting as President and Chief Financial Officer. Butler  
26 and Aven solicited over \$8 million from at least 100 senior citizens and other investors starting in  
27 June 2000 and continuing through November 2003. This investment involved an offshore  
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1 telecommunications company but investors were not given specific information or any offering  
2 materials describing the investment.

3 11. The Onyx investment consisted of a Redeemable Note, Series 2004, paying 12% per  
4 year with a one-year period of maturity with Butler as the Managing Member. Butler solicited over  
5 \$2 million from at least 30 senior citizens and other investors starting in February 2004 and  
6 continuing through July 2005. This investment supposedly involved foreign currency exchange but  
7 investors were not given specific information or any offering materials describing this investment.

8 12. In connection with the offer and sale of these securities, Butler and Aven through  
9 Patriot, Medifund, Genessee, GNP, GNPG and Onyx made, or caused to be made, misrepresentations  
10 of material facts or omitted to state material facts necessary in order to make the statements made, in  
11 the light of the circumstances under which they were made, not misleading. These  
12 misrepresentations and omissions included, but are not limited to the following:

- 13 a. Investors were told that the investment would earn 12% per year;
- 14 b. Investors were not told that they were investing in a ponzi scheme and that any  
15 interest received on their investment money came from other investor money and not from any  
16 investment returns from Butler's business ventures;
- 17 c. Investors were not told that Butler and Aven were not licensed to solicit  
18 investments;
- 19 d. Investors were not told that investor money would be used by Butler to pay his  
20 personal expenses;

21 Based on the foregoing findings, the California Corporations Commissioner is of the opinion  
22 that the securities in the form of promissory notes offered and sold by Butler and Aven in Patriot,  
23 Medifund, Genessee, GNP, GNPG and Onyx are securities subject to qualification under the  
24 California Corporate Securities Law of 1968 and are being or have been offered or sold without being  
25 qualified or exempt, in violation of Section 25110 of the Corporate Securities Law of 1968.

26 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Jeffrey Gordon Butler,  
27 Holly Lynn Aven, Patriot Inc., Medifund Special Purpose Corporation, Genessee Capital, Inc.,  
28 Global Network Providers, Inc., a.k.a. Global Network Providers (Grenada) Inc., d.b.a. Global

1 Network Providers Grenada, and Onyx Capital Partners, LLC are hereby ordered to desist and refrain  
2 from the further offer or sale in the State of California of securities, including, but not limited to  
3 promissory notes unless and until qualification has been made under said law or unless exempt.

4 Further, the California Corporations Commissioner is of the opinion that the securities offered  
5 and sold by Butler and Aven in Patriot, Medifund, Genessee, GNP, GNPG and Onyx were offered  
6 and sold in this state by means of written or oral communications that included untrue statements of  
7 material fact or omitted to state material facts necessary in order to make the statements made, in the  
8 light of the circumstances under which they were made, not misleading, in violation of section 25401  
9 of the Corporate Securities Law of 1968.

10 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Jeffrey Gordon Butler,  
11 Holly Lynn Aven, Patriot Inc., Medifund Special Purpose Corporation, Genessee Capital, Inc.,  
12 Global Network Providers, Inc., a.k.a. Global Network Providers (Grenada) Inc., d.b.a. Global  
13 Network Providers Grenada, and Onyx Capital Partners, LLC are hereby ordered to desist and refrain  
14 from offering or selling or buying or offering to buy any security in the State of California, including,  
15 but not limited to, promissory notes by means of any written or oral communication which includes  
16 an untrue statement of a material fact or omits to state a material fact necessary in order to make the  
17 statements made, in the light of the circumstances under which they were made, not misleading.

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

20 Dated: June 15, 2006  
21 Los Angeles, California

22 PRESTON DuFAUCHARD  
23 California Corporations Commissioner

24 By \_\_\_\_\_  
25 ALAN S. WEINGER  
26 Supervising Counsel  
27 Enforcement Division  
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**STATE OF CALIFORNIA**  
**BUSINESS, TRANSPORTATION AND HOUSING AGENCY**  
**DEPARTMENT OF CORPORATIONS**

**TO: GIBSON & WILE FINANCIAL SERVICES, LLC**  
**158 E Third Street**  
**Pomona, CA 91766**

**CITATIONS**  
**AND**  
**DESIST AND REFRAIN ORDER**  
**(Pursuant to California Financial Code sections 23050 and 23058)**

The California Corporations Commissioner finds that:

1. Gibson and Wile Financial Services, LLC, hereinafter “Licensee” is, and was at all relevant times herein, a limited liability company authorized to conduct business in this state, with its principal place of business located at 158 E. Third Street, Pomona, CA 91766.

2. On or about December 31, 2004, Licensee obtained a license from the California Corporations Commissioner (“Commissioner”) to engage in the business of deferred deposit transactions at 158 E. Third Street, Pomona, CA 91766.

3. An examination of Licensee conducted by the Commissioner on June 6, 2008 disclosed the following violation at 158 E. Third Street, Pomona, CA 91766.

Citation A. Licensee failed to maintain records demonstrating minimum net worth of \$25,000 in compliance with California Financial Code section 23007 of the Financial Code, including quarterly unaudited balance sheets, in violation of California Code of Regulations section 2025 (b).

Citation B. The Agreement failed to contain an itemization of the amount financed as required under the Federal Truth In Lending Act and its regulations in violation of Financial Code section 23035 (e) (7).

Citation C. The Agreement failed to contain the disclosure that the licensee cannot accept collateral in connection with the deferred deposit transaction in violation of Financial Code section 23035 (e) (10). Licensee was informed of this violation during the previous regulatory examination

1 conducted on July 26, 2006.

2 Pursuant to California Financial Code section 23058, Licensee is hereby ordered to pay to  
3 the Commissioner an administrative penalty in the total amount of \$6,500 for the following  
4 Citations within 30 days from the date of this Citation.

5 Citation A. \$2,500

6 Citation B. \$1,500

7 Citation C. \$2,500

8 Pursuant to California Financial Code section 23050, Licensee is hereby ordered to desist  
9 and refrain from engaging in the business of deferred deposit transactions in the State of  
10 California in violation of the above referenced sections.

11 These Citations and Desist and Refrain Order are necessary, in the public  
12 interest, for the protection of consumers and is consistent with the purposes, policies and  
13 provisions of the California Deferred Deposit Transaction Law. These Citations and Desist and  
14 Refrain Order shall remain in full force and effect until further order of the Commissioner.

15 These Citations are separate from any further action that may include other administrative,  
16 civil or criminal remedies that the Commissioner may take based upon the violations of law cited  
17 herein or otherwise.

18 California Financial Code section 23058 provides, in relevant part:

19 (a) If, upon inspection, examination or investigation, based upon a  
20 complaint or otherwise, the department has cause to believe that a person  
21 is engaged in the business of deferred deposit transactions without a license,  
22 . . . the department may issue a citation to that person in writing, describing  
23 with particularity the basis of the citation. Each citation may contain . . . an  
assessment of an administrative penalty not to exceed two thousand five hundred  
dollars (\$2,500) . . . .

24 . . .

25 (c) If within 30 days from the receipt of the citation of the person cited fails  
26 to notify the department that the person intends to request a hearing as  
described in subdivision (d), the citation shall be deemed final.

27 (d) Any hearing held under this section shall be conducted in accordance with  
28 Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2  
of the Government Code . . . .

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California Financial Code section 23050 provides:

Whenever, in the opinion of the commissioner, any person is engaged in the business of deferred deposit transactions, as defined in this division, without a license from the commissioner, or any licensee is violating any provision of this division, the commissioner may order that person or licensee to desist and to refrain from engaging in the business or further violating this division. If, within 30 days, after the order is served, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded.

The request for a hearing may be made by delivering or mailing a written request to:

Steven Thompson  
Special Administrator  
California Deferred Deposit Transaction Law  
Department of Corporations  
320 West 4<sup>th</sup> Street, Ste. 750  
Los Angeles, California 90013-2344  
(213) 576-7610

Dated: August 11, 2008  
Los Angeles, CA

PRESTON DUFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Steven C. Thompson  
Special Administrator  
California Deferred Deposit Transaction Law