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

TO: PayStar Corporation
U.S. Cash Exchange, Inc.
1110 W. Kettleman Lane, Suite 48
Lodi, CA 95204

Stephen W. Brittain
Senior Benefits
333 N. Palm Canyon, #113A
Palm Springs, CA 92262

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, PayStar Corporation (“PayStar”) is or was a Nevada Corporation, with offices located at 1110 W. Kettleman Lane, Suite 48, Lodi, CA 95204.
2. At all relevant times U.S. Cash Exchange, Inc. (“Cash Exchange”) is or was a Nevada Corporation and a wholly-owned subsidiary of PayStar, with offices located at 1110 W. Kettleman Lane, Suite 48, Lodi, CA 95204.
3. At all relevant times, Stephen W. Brittain (“Brittain”) is or was the owner and President of Senior Benefits.
4. Beginning in or about at least August 1999 and continuing through at least until January 2000, PayStar offered and sold securities within the state of California in the form of investment contracts comprised of pay telephone sales and management programs.
5. The purported purpose of PayStar was to sell payphones through independent marketing companies and insurance agents, costing about \$6,500 per phone, and then enter into a lease and management agreement with the purchasers of the payphones. The purchasers of the payphone under

1 the agreement were to receive around \$65.00 per month per phone for an initial term of 60 months.
2 At the end of the term, PayStar would buy back the pay telephones from the customer for the initial
3 purchase price.

4 6. In 2001, PayStar operated and managed more than 3000 privately owned pay telephones
5 located throughout California, northwestern Nevada, Texas, Louisiana and Florida. PayStar failed to
6 pay investors fees promised as part of the leaseback program.

7 7. Beginning in or about June 2001, Cash Exchange through Brittain and Senior Benefits offered
8 and sold securities within the state of California in the form of investment contracts comprised of
9 cashless Automated Teller Machines (“ATM”) sales and management programs with U.S. Cash
10 Exchange and a guarantee.

11 8. Cash Exchange through Brittain and Senior Benefits sold at least \$20,000 worth of securities
12 in Cash Exchange, consisting of 5 units at \$4,000 per cashless ATM. As part of this transaction,
13 Cash Exchange through Brittain and Senior Benefits also offered and sold a guarantee, selling at
14 \$200 per machine for a total of \$1,000, in the form of a certificate of surety bond under International
15 Fidelity & Surety Limited.

16 9. In connection with the offer and sale of these securities, Brittain and Senior Benefits failed to
17 disclose that on October 24, 2000, the Department of Corporations issued Desist and Refrain Orders
18 to Brittain and Senior Benefits for violations of Corporations Code sections 25110 and 25210.

19 10. The securities described above were offered or sold in the state of California. The Department
20 of Corporations has not issued a permit or other form of qualification authorizing any person to offer
21 and sell these securities in this state.

22 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
23 that the investment contracts in the form of pay telephone sales and management programs offered
24 and sold by PayStar are securities subject to qualification under the California Corporate Securities
25 Law of 1968 and are being or have been offered or sold without being qualified.

26 Also, based on the foregoing findings, the California Corporations Commissioner is of the
27 opinion that the investment contracts in the form of cashless Automated Teller Machines sales and
28 management programs and a guarantee offered and sold by Cash Exchange through Brittain and

1 Senior Benefits are securities subject to qualification under the California Corporate Securities Law
2 of 1968 and are being or have been offered or sold without being qualified.

3 Pursuant to Section 25532 of the Corporate Securities Law of 1968, PayStar is hereby ordered
4 to desist and refrain from the further offer or sale in the State of California of securities in the form of
5 investment contracts in the form of pay telephone sales and management programs, unless and until
6 qualification has been made under said law. The sale of such securities is subject to qualification
7 under said law and such securities are being or have been offered for sale without first being so
8 qualified.

9 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Cash Exchange, Brittain
10 and Senior Benefits are hereby ordered to desist and refrain from the further offer or sale in the State
11 of California of securities in the form of investment contracts in the form of cashless Automated
12 Teller Machines sales and management programs and a guarantee, unless and until qualification has
13 been made under said law. The sale of such securities is subject to qualification under said law and
14 such securities are being or have been offered for sale without first being so qualified.

15 Furthermore, the California Corporations Commissioner is of the opinion that the securities
16 that Brittain and Senior Benefits offered or sold in this State were by means of written or oral
17 communications which included an untrue statement of a material fact or omitted to state a material
18 fact necessary in order to make the statements made, in the light of the circumstances under which
19 they were made, not misleading, in violation of section 25401 of the Corporate Securities Law of
20 1968.

21 Pursuant to section 25532 of the Corporate Securities Law of 1968, Brittain and Senior
22 Benefits made, or caused to be made, misrepresentations or omissions of material facts in connection
23 with the offers or sales of securities and are hereby ordered to desist and refrain from offering or
24 selling or buying or offering to buy any security in the State of California by means of any written or
25 oral communication which includes an untrue statement of a material fact or omits to state a material
26 fact necessary in order to make the statements made, in the light of the circumstances under which
27 they were made, not misleading.

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These Orders are necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.
Dated: May 24, 2004
Sacramento, California

WILLIAM P. WOOD
California Corporations Commissioner

By: _____
VIRGINIA JO DUNLAP
Deputy Commissioner
Enforcement and Legal Services Division