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

**TO: New York Networks, Inc.**  
**The New York Network, Inc.**  
**David E. Walsh**  
**Christopher A. Jensen**  
**Rodolfo Preciado**  
18180 Old Coach Drive  
Poway, CA 92064

**DESIST AND REFRAIN ORDER**

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

The California Corporations Commissioner finds that:

1. New York Networks, Inc. was a Delaware corporation and is no longer in existence and good standing. On March 1, 2008, New York Networks, Inc. became inoperative and void.
2. The New York Network, Inc. is, and was at all relevant times herein, a Nevada corporation located at 18180 Old Coach Drive, Poway, California, 92064.
3. David E. Walsh, (“Walsh”) is, and was at all relevant times, the president of and managed and controlled The New York Network, Inc. and New York Networks, Inc.
4. Christopher A. Jensen (“Jensen”) and Rodolfo Preciado, aka Rudy Preciado (“Preciado”) are, and were at all relevant times herein, New York Networks, Inc. sales representatives.
5. Mad Engine, Inc. (“Mad Engine”) is, and was at all relevant times herein, a California Corporation in good standing.
6. Beginning at least as early as 2006, Walsh, Jensen, Preciado, The New York Network, Inc. and New York Networks, Inc. offered and sold securities in the form of common stock and warrants.

1           7. The purported purpose of the offering was to acquire the assets and assume certain  
2 liabilities of Mad Engine and The New York Network, Inc. and to develop, produce and market  
3 branded entertainment.

4           8. The common stock and warrants are securities pursuant to California Corporations Code  
5 section 25019.

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

9           10. In connection with the offer and sale of securities, Walsh, Jensen, Preciado, New York  
10 Networks, Inc., and The New York Network, Inc. made untrue statements of material facts including  
11 the following:

- 12           a. Representing that the proceeds from the sale of the securities would be used to acquire  
13           Mad Engine and to develop, produce and market branded entertainment. The proceeds  
14           from the sale of securities were not utilized to acquire Mad Engine. Mad Engine was not  
15           acquired.
- 16           b. Representing that New York Networks, Inc. would go public by November 2006  
17           increasing the value of the common stock and warrants. New York Networks, Inc. has not  
18           gone public.

19           Based upon the foregoing findings, the California Corporations Commissioner is of the  
20 opinion that the common stock and warrants are securities subject to qualification under the  
21 California Corporate Securities Law of 1968 and are being or were offered and sold without being  
22 qualified in violation of Corporations Code section 25110.

23           Pursuant to Section 25532 of the California Corporations Code, David E. Walsh, Christopher  
24 A. Jensen, Rodolfo Preciado, New York Networks, Inc. and The New York Network, Inc. are hereby  
25 ordered to desist and refrain from the further offer and sale of securities in the State of California,  
26 including, but not limited to common stock and warrants, unless and until qualification has been  
27 made under said law or unless exempt.

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1 Further, based upon the foregoing, the California Corporations Commissioner is of the  
2 opinion that the security was offered and sold in this state by means of oral and written  
3 communications which included misrepresentation of material facts necessary in order to make the  
4 statements made, in the light of the circumstances under which they were made, not misleading, in  
5 violation of section 25401 of the Corporate Securities Law of 1968.

6 Pursuant to section 25532 of the Corporate Securities Law of 1968, David E. Walsh,  
7 Christopher A. Jensen, Rodolfo Preciado, New York Networks, Inc. and The New York Network,  
8 Inc. are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any  
9 securities in the State of California, including but not limited to, common stock and warrants, by  
10 means of any written or oral communication which includes an untrue statement of a material fact or  
11 omits to state a material fact necessary in order to make the statements made, in the light of the  
12 circumstances under which they were made, not misleading.

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: July 21, 2008  
17 Los Angeles, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

18  
19 By \_\_\_\_\_  
20 ALAN S. WEINGER  
21 Acting Deputy Commissioner  
22 Enforcement Division  
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