

BEFORE THE  
STATE OF WISCONSIN  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF SECURITIES

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In the Matter of  
NETWORK SERVICES DEPOT, INC., d.b.a.  
NET DEPOT, INC.  
BIKINI VENDING CORP.,  
CHARLES V. CASTRO, and  
EDWARD BEVILACQUA,

PETITION FOR ORDER

Respondents.

File No. S-05187(EX)

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The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities, Bureau of Registration & Enforcement ("the Division"), has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Upon information and belief, Network Services Depot, Inc., d.b.a. Net Depot, Inc., ("Network Services") is a California corporation formed in or about October, 2001, with a last known business address of 3000 East Birch Street, Suite 105, Brea, California 92821;
2. Upon information and belief, Bikini Vending Corp. ("Bikini Vending") is a Nevada corporation formed in or about January 2002, with a last known business address of 1370 West San Marcos Boulevard, Suite 100, San Marcos, California 92069;
3. Upon information and belief, Charles V. Castro, ("Castro") is an individual who at all times material hereto has been an owner, officer and/or controlling person of Network Services, with a last known business address at that of Network Services;
4. Upon information and belief, Edward Bevilacqua, ("Bevilacqua") is an individual who at all times material hereto has been an owner, officer and/or controlling person of Bikini Vending, with a last known business address at that of Bikini Vending;
5. Steven G. Ross ("Ross") is an individual whose year of birth is 1956, licensed in Wisconsin as an insurance agent, who was previously licensed with the Division as a securities agent from 1991 until 1995, and who at all times material hereto has been an agent of Network Services, Bikini, Castro and Bevilacqua, with a last known home address of 7769 Rustic Road, Boulder Junction, Wisconsin 54512-0821;
6. During the period of September and October 2003, Ross, on behalf of Network Services, Bikini Vending, Castro and Bevilacqua, offered and sold to at least three persons in Wisconsin interests in the Internet kiosk sales, service and management programs of Network Services and Bikini Vending;
7. According to the "INTERNET ACCESS TERMINAL SALES AGREEMENT" received and signed by the three persons in Wisconsin, referred to above, the persons in Wisconsin will purchase a certain number of businesses (e.g. Internet kiosks) from Network Services;
8. According to the "KIOSK SERVICE AGREEMENT" received and signed by the three persons in Wisconsin, referred to above, Bikini Vending, at no additional cost to the purchasers

of the Internet kiosks, was to provide the service and management of the Internet kiosks, and to repurchase the Internet kiosks at the end of six years at the option of the purchaser;

9. According to statements made by Ross to staff of the Division, concerning his offer and sale of the Internet kiosks to the three persons in Wisconsin referred to above, Ross did not know of the three persons having any knowledge or experience of Internet kiosks, Ross provided to the three persons the "KIOSK SERVICE AGREEMENT" of Bikini Vending, Ross told the three persons that they were guaranteed a certain amount of revenue per month from the Internet kiosks, Ross told the three persons of certain revenue projections for the Internet kiosks that they owned, and Ross told the three persons that Bikini Vending would move the Internet kiosks to new locations if the projected revenues were not met, and;
10. According to statements made by Ross to staff of the Division, Ross got a commission of 15 percent of the sales price of the Internet kiosks he sold to the three persons, referred to above;
11. According to statements made to staff of the Division by one of the three persons, referred to above, Ross told the person that Bikini Vending would handle the placement and management of the Internet kiosks for the person at no cost to the person, but that the person also had the option of placing and managing the Internet kiosks by himself; that the person would get a minimum of \$70 per month per Internet kiosk, plus 10 percent of any income in excess of \$500 per machine, from the revenues generated by the operation of the Internet kiosks placed and managed for the person by Bikini Vending; and that after 60 months, the person could choose either to have his principal returned to him, or enter into another contract with Network Services;
12. Upon information and belief, investors in the Internet kiosk sales, service and management programs of Network Services and Bikini Vending can play a passive role with no duties and responsibilities;
13. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the Internet kiosk sales, service and management programs of Network Services and Bikini Vending, as offered and sold by Network Services, Bikini Vending, Castro, Bevilacqua and Ross ("the Respondents"), are investment contracts as defined by section DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.;
14. The investment contract securities of Network Services and Bikini Vending have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;
15. The Respondents have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities to persons in Wisconsin;
16. In connection with the offers and sales of the securities as described above, Ross transacted business in Wisconsin as an "agent" for Network Services, Bikini Vending, Castro and Bevilacqua, as that term is defined by sec. 551.02(2), Wis. Stats.;
17. At no time material hereto has Ross been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;
18. Ross has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license;
19. Network Services, Bikini Vending, Castro and Bevilacqua have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin;
20. On November 21, 2002, the State of Missouri Secretary of State, issued a cease and desist order against Network Services and Bikini Vending, et al., and alleged the offering of unregistered securities by unlicensed agents;

