

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

In the Matter of
ELITE MARKETING NETWORK, LLC
NET REVENUE SYSTEMS, LLC,
MARK JACKETT,
CHARLES V. HERIN,
STEVE YAGUDAYEU,
ROBERT CONTRERAS,

PETITION FOR ORDER

Respondents.

File No. S-07024(EX)

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

1. Net Revenue Systems, LLC ("Net Revenue") is, at all times material hereto, a foreign limited liability company, with a last known address at 237 Tramway Drive, Suite D, Box 4470, Lake Tahoe, NV 89449-4470;
2. Elite Marketing Network, LLC ("Elite") is, at all times material hereto, an Arizona limited liability company, with a last known business address of 2833 N. Central Avenue, Suite 602, Phoenix, Arizona 85004;
3. Mark Jackett ("Jackett") is an individual who, at all times material hereto, was an owner, officer, and/or controlling person of Elite, with a last known business address at that of Elite and home address of 16827 S. 34th Way, Phoenix, Arizona 85048;
4. Charles V. Herin ("Herin") is an individual with a date of birth of June 12, 1959, who, at all times material hereto, was an agent of Elite and Jackett, and whose last known home address is 2136 Virginia Avenue, Phoenix, Arizona 85009 and business address was at that of Elite;
5. Steve Yagudayeu ("Yagudayeu") is an individual who, at all times material hereto, was an agent of Elite and Jackett, and whose last known business address was at that of Elite;
6. Robert Contreras ("Contreras") is an individual who, at all times material hereto, was an agent of Elite and Jackett, and whose last known business address was at that of Elite;
7. During the period of 2006, Herin, Yagudayeu, and Contreras, on behalf of Elite, Jackett and Net Revenue, offered and sold to at least one person in Wisconsin interests in a website pharmacy sales business of Net Revenue, established and operated by Net Revenue, with consulting, programs and techniques of advertising provided for the person in Wisconsin;
8. Upon information and belief, the website pharmacy sales business is to sell products and services to customers through the Internet, with the person in Wisconsin receiving payments made through Net Revenue, by the customers for the products and services;
9. Upon information and belief, investors can play a passive role in the website pharmacy sales business with no duties and responsibilities;

10. Upon information and belief, each investor will not be involved in the day-to-day management of the website pharmacy sales business, since they do not have the expertise or experience necessary to perform its duties;

11. 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 interests in the website pharmacy sales business offered and sold by 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.;

12. The investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;

13. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities to a person in Wisconsin;

14. In connection with the offer and sale of the securities described in Paragraph 7, Herin, Yagudayeu, and Contreras transacted business in Wisconsin as an "agent" for Elite and Jackson, as that term is defined by sec. 551.02(2), Wis. Stats.;

15. At no time have Herin, Yagudayeu, and Contreras been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;

16. Herin, Yagudayeu, and Contreras have violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license;

17. Elite and Jackett have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin;

18. In connection with the offer and sale of the securities described in Paragraph 7, Elite and Jackett transacted business in Wisconsin as a "broker-dealer" as that term is described by sec. 551.02(3), Wis. Stats.;

19. Elite and Jackett have violated sec. 551.31(1), Wis. Stats., by transacting business as a broker-dealer in Wisconsin without being licensed; and

20. Staff of the Bureau of Registration & Enforcement wrote to the Respondents requesting information and documents concerning their securities-related activities with persons in Wisconsin, and gave a due-date for a response, but to date have received no response.

Therefore, the staff of the Bureau of Registration & Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

 8-14-07

Mark E. Dorman Date
Examiner

 8/15/07

David A. Cohen Date
Supervising Attorney