

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

In the Matter of

PETITION FOR ORDER

FRIENDS UNITED NETWORK, INC., a.k.a.
FUN GROUP, LLC, and
RICHARD I. BYRNE,

File No. S-226350(EX)

Respondents.

The staff of the Bureau of Enforcement of the Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to Wis. Stat. § 551.56¹, and as a result thereof alleges as follows:

1. Friends United Network, Inc., a.k.a. FUN Group, LLC (“FUN”) is an Idaho corporation organized on September 30, 2002, with last known business addresses of 2686 Johnson Drive #201, and 1746-F S. Victoria Avenue #385, Ventura, California 93003.
2. Richard Irving Byrne (“Byrne”) is a California resident born in July, 1941 who is an owner, officer, and controlling person of FUN, with a last known business addresses at FUN.
3. Byrne has been an officer and/or controlling person of the following entities: America’s Phone Club, FUN Group USA, Inc., Friends United Network, Inc., FUN Group, LLC, God’s Glory Temple, J.A. Lance Company, Inc., Pro-Environmental Products, International, and Xodar International Corporation.
4. During 2007, the Respondents offered and sold to at least one person in Wisconsin interests in the FUN investment program in the amount of \$6,250, in which the investor was promised that for a yearly membership fee, members had the opportunity to join one of FUN’s programs that included placing investors’ money into private placement drawings.
5. According to the Friends United Network website, the strategy is described as follows:

FUN’s Wealth Division ...

“Auto Save is a 3.1 year or a 60 day Retirement Plan using HYI (High-Yield Interest). Would you trade \$250 / month for \$3,000 / month in 60 days? Would you trade a 1-time \$500 donation into \$3,000 monthly “Gratuities” that starts in 3.1 years? And it’s all inheritable!! Lots of monthly Referral Fees. Min. required: \$24 See Doc. 39 (FOD) ...”

6. According to the **“FUN Founder’s Letter of Intent (LOI) 17 May 07 Minor UBIs Document 81, Page 4 of 5”** that the person in Wisconsin received from the Respondents before

¹ Unless otherwise noted, the statutory references are to the Wisconsin Statutes (2005-06), which were in effect at the time of the violations alleged herein and apply pursuant to Wis. Stat. § 551.703 (2007-08).

investing, which they and Byrne signed for purposes of investing in FUN Founders Minor Units of Beneficial Interest (MUBI):

“LETTER OF INTENT (LOI) ...

3. That all Founders collectively from this offering are to receive 10% of all net revenues (profits) of initial FUN Programs commencing with PTI, Power of One FunQuest, and Buyers Club Program’s pre-launch, until initial purchase is returned, then 1% of all net revenues. This equals 10 times 1st quarter earnings shown on Page 5 Spread Sheet until 100% of the contribution is returned.

4. That Founder shall receive 0.005% net revenue of the first four FUN Programs PLUS 0.005% of all Credit Union Profits for 10 year limit, per MUBI received. Founders further understand that the \$6,250 per MUBI return, state in condition 3, is part of the 0.005% MUBI net revenue returns. ...”

7. On August 5, 2011, the State of California Department of Corporations (“CA DOC”) issued a Desist and Refrain Order to Byrne, FUN, and Debt Solution Ministries, Inc. a.k.a. Debt Solution Ministries, alleging fraud in connection with the offer and sale of securities.

8. The interests in the FUN investment program are investment contract securities as defined by Wis. Stat. § 551.02(13) and Wis. Admin. Code §§ DFI Sec. 1.02(6)(a) and 1.02(6)(b),

9. The interests in the FUN investment program have never been registered for offer and sale in Wisconsin pursuant to Wis. Stats. Ch. 551.

10. All Respondents have violated Wis. Stat. § 551.21, by offering and selling unregistered securities in Wisconsin to at least one person.

11. Staff of the Division wrote to Byrne, on behalf of FUN, requesting information and documents concerning the sale of securities of FUN offered and sold to persons in Wisconsin and gave a due date for a response. To date, Division staff has received no response despite the due date having passed.

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

Dated this 4th day of April, 2013.



Mark Dorman
Senior Examiner



Andrew Parrish
Staff Attorney