

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF: Douglas Brandau**  
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)  
) **FILE NO. 0500387**  
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**CONSENT ORDER**

**TO RESPONDENT:**

Douglas Brandau  
C/o Mazyar Hedayat  
M. Hedayat & Associates  
425 Quadrangle Drive Suite 101  
Bolingbrook, IL 60440-3451

WHEREAS, Douglas Brandau (“Respondent”), on the 9<sup>th</sup> day of February 2009 executed a certain Stipulation to Enter Consent Order (the “Stipulation”), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated July 25, 2008 in this proceeding (the “Notice”) and Respondent has consented to the entry of this Consent Order (“Consent Order”).

WHEREAS, by means of the Stipulation, the Respondent acknowledges that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State’s Findings of Fact:

**COUNT I:**

**Failure to Conduct Due Diligence In Connection With Securities Respondents  
Recommended to Investors**

1. Respondent, Douglas Brandau (hereinafter “Brandau”) has a last known address of 17845 Ridge Road, Sterling, IL 61081.
2. Respondent, Ron Kimball (hereinafter “Kimball”) has a last known address of 1009 Fifth Street Court, Erie, Illinois 61250.
3. Respondent Kimball at all relevant times was an independent insurance agent.
4. Respondent Douglas Brandau at all relevant times was hired by Kimball as an independent contractor to sell Advertising Toppers.

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5. Unlimited Cash Inc., (hereinafter "Unlimited Cash") is a California corporation with a last known address of 130 Lombard St. Oxnard, CA 93030.
6. Douglas Networking Enterprises Inc., (hereinafter "Douglas Networking Enterprises") is a California corporation with a last known address of 130 Lombard St. Oxnard, CA 93030.
7. That on August 5<sup>th</sup>, 2004 Brandau entered into an agreement with Ronald Kimball, whereby Brandau agreed to solicit sales of Advertising Toppers from prospective purchasers.
8. In exchange for Brandau soliciting prospective purchasers, Kimball agreed to compensate Kimball in the amount of \$400 for the sale of each Advertising Toppers.
9. Between August of 2004 and March of 2005, Brandau sold Advertising Toppers to the following Illinois investors:
  1. Steven Hammer purchased two AD Toppers from Douglas Brandau for a total purchase price of \$8,000.
  2. Gerald Mance purchased one AD Topper from Douglas Brandau for a total purchase price of \$4,000.
  3. Diane Ruchti purchased one AD Topper from Douglas Brandau for a total purchase price of \$4,000.
  4. James Wilson purchased two AD Toppers from Douglas Brandau for a total purchase price of \$8,000.
  5. Roger Stuart purchased two AD Toppers from Douglas Brandau for a total purchase price of \$8,000.
  6. Everett Brown purchased two AD Toppers from Douglas Brandau for a total purchase price of \$8,000.
  7. Dean Wade purchased five AD Toppers from Douglas Brandau for a total purchase price of \$20,000.
10. The Advertising Toppers are essentially color computer monitors that allegedly can be placed on product displays, ATM.s and other fixtures in retail establishments.

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11. By themselves, the Advertising Toppers have little or no value to the investors solicited by Respondent, since these investors lacked interest in buying the machines alone, finding and contracting retail locations to place them, learning how to program them to run advertisements, servicing and maintaining them, canvassing the market for paying advertisements or billing for and collecting advertising revenues.
12. Rather, investors wanted passive investments that would guarantee them annual returns and the ability to get back their principal.
13. For this reason Respondent and Unlimited Cash Inc. marketed the Advertising Toppers as a single package consisting of a machine (from Unlimited Cash Inc.) and a servicing agreement from a company called Douglas Networking Enterprises.
14. At the time of making the investment, investors simultaneously executed two interrelated contracts.
15. First, investors entered into a contract with Unlimited Cash Incorporated, called the Unlimited Cash Incorporated Advertising Topper Purchase Agreement (“UCI Agreement”), which promised investors ownership of an Advertising Topper machine that Unlimited Cash would build.
16. Second, investors entered into a service agreement with Douglas Networking Enterprises, called the Operation and Maintenance Agreement (“DNE Agreement”).
17. Under the DNE Agreement, Douglas Networking Enterprises was to receive a percentage of the advertising revenues generated by each machine. The DNE Agreement also promised investors at least \$54 per month per machine, which equaled a 16% return. DNE Agreement also provided that after 3 years the investor could sell their machines back to Douglas Networking Inc at the original price.
18. The DNE Agreement represented that Douglas Networking Enterprises would: receive the purchased Advertising Topper from Unlimited Cash Inc.; place the Advertising Topper at desirable locations; arrange to install the machine; provide all monitoring, repair and maintenance service; sell available advertising space on the machine; collect monthly advertising revenues; and distribute the promised returns to investors.
19. The investors’ role in the investment opportunity was to be totally passive. Investors did not place, service or collect revenue from Advertising Toppers and had no involvement in securing the advertising from which returns were to be generated. Investors relied entirely on Unlimited Cash Inc. to generate investment returns.

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20. Once an investor chose to invest in the program, he or she completed the Unlimited Cash agreement and the DNE Agreement and an Unlimited Cash purchase order and gave the check to Respondent.
21. Respondent's activities described above involve the sale of a security as that term is defined in Sections 2.1 and 2.5 of the Act.
22. Respondent did not conduct any meaningful due diligence in evaluating the financial strength and competency of Unlimited Cash Inc. before recommending the purchase of Advertising Toppers to Illinois investors.
23. Respondent did not conduct any meaningful due diligence in evaluating the financial strength and competency of Douglas Networking Enterprises before recommending the purchase of Advertising Toppers to Illinois investors.
24. That on April 3, 2006 the Securities and Exchange Commission filed a complaint in the Northern District of Texas alleging that Douglas Networking and Unlimited Cash were running a Ponzi scheme in connection with the sales of the Advertising Topper machines. In fact, all the returns that were paid to investors did not come from advertising revenue but from new investor funds.<sup>1</sup>
25. Had the Respondent conducted any meaningful due diligence into the products it recommended and sold it may well have discovered that the claims made by Douglas Networking Enterprises and Unlimited Cash were false.
26. Had the Respondent conducted any meaningful due diligence into the products it recommended and sold it may well have discovered that the Advertising Topper investment was in fact a Ponzi scheme and that any returns that were paid to investors did not come from advertising revenue but from new investor funds.

A. Acknowledges that the following shall be adopted as the Secretary of State's Conclusions of Law:

27. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.

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<sup>1</sup> As a result of the complaint filed by the SEC, on July 7<sup>th</sup>, 2006 Unlimited Cash and Douglas Networking both entered into an agreed order of permanent injunction whereby Unlimited Cash was permanently enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5.

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28. That by virtue of the activity in paragraphs 1-26, Respondent violated Section 12.F of the Act.
29. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
30. That by virtue of the activity in paragraphs 1-26, Respondent violated Section 12.G of the Act.
31. That Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of this Act.
32. That by virtue of the activity in paragraphs 1-26, Respondent violated Section 12.A of the Act.
33. That by virtue of the above referenced violations of the Act, sales of the AD Toppers made by Douglas Brandau, including but not limited to the sales made to the individuals identified in paragraph 9 of this Order, shall be voidable at the election of those individuals and that Douglas Brandau shall be liable to those individuals as provided for in Section 13 of the Act.

Whereas, the respondent acknowledges and agrees that he desires to resolve this matter absent further administrative action.

Whereas, the respondent acknowledges and agrees that Respondent is permanently prohibited from offering and selling securities in the State of Illinois.

Whereas, the respondent acknowledges and agrees that this Consent Order shall be deemed a public document.

Whereas, the respondent acknowledges that the parties intend the Consent Order to be a final determination of the issues in this case and that Respondent is estopped from denying the Findings of Fact and Conclusions of Law as contained in this Consent Order in any collateral proceeding initiated by any party.

Whereas, the respondent acknowledges and agrees that Respondent waives any affirmative defenses in any collateral proceeding initiated by any party including that any claims against respondents are time-barred.

CONSENT ORDER

Whereas, the respondent acknowledges that the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE, IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Respondent, Douglas Brandau, is permanently prohibited from offering and selling securities in the State of Illinois, except that he may offer insurance products that any typical insurance agent without a license to sell securities may legitimately offer.
2. The Department shall retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions of the Stipulation herein.
3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Illinois Securities Act, [14 Ill. Admin. Code Ch. I, Section 130.1123]. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

ENTERED: This 13<sup>th</sup> day of February, 2009.



Jesse White  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

Mary A. Lopez  
Illinois Securities Department  
69 West Washington Street  
Chicago, Illinois 60602  
312-793-3023