

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

IN THE MATTER OF:)
)
)
DARLENE DANTES, and) **No 0800324**
CAPAPIE, INC., its/her partners,)
officers and directors, agents, employees,)
affiliates, successors and assigns.)
)

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENTS: Darlene Dantes and Capapie, Inc.
2300 West Wabansia
Suite 216
Chicago, Illinois 60647
and
287 South Robertson Boulevard
Beverly Hills, California 90211
and
6303 Owensmouth Avenue
Woodland Hills, California 91367
and
12178 Ventura Boulevard
Studio City, California 91604

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. Respondent Darlene Dantes (at times hereinafter "Dantes." and together with Capapie "Respondents") has last known addresses of 2300 West Wabansia, Suite 216, Chicago, Illinois 60647 and 287 South Robertson Boulevard, Beverly Hills, California 90211 and 6303 Owensmouth Avenue, Woodland Hills, California 91367 and 12178 Ventura Boulevard, Studio City, California 91604.
2. Respondent Capapie, Inc. (at times hereinafter "Capapie" or together with Dantes, "Respondents") has last known addresses of 2300 West Wabansia, Suite 216, Chicago, Illinois 60647, and 287 South Robertson Boulevard, Beverly Hills, California 90211, and 6303 Owensmouth Avenue, Woodland Hills, California 91367, and 12178 Ventura Boulevard, Studio City, California 91604.

3. Respondent Dantes, at all relevant times herein, was the president and treasurer of Capapie, and managed the day-to-day affairs of Capapie.
4. August 2005 Respondents Dantes and Capapie offered to at least one Illinois resident (“Investor”) the opportunity to “earn 2% monthly interest” on amounts loaned to Respondents, and to “improve credit scores” for Investor, by allowing Respondents names to be placed on the Investor’s credit cards, and to make purchases and cash advances with the credit cards for “up to 30% of the credit limit”.
5. The Investor accepted the offer set forth in paragraph 4 and between August 2005 and April 2007 Respondents used the Investor’s credit cards to make purchases and to take cash advances which were charged to Investor’s account.
6. The activities described above in paragraphs 4-5 constitute the offer and sale of an investment contract and are therefore a security as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the “Act”).

FAILURE TO REGISTER SECURITIES

7. Section 5 of the Act provides, *inter alia* that all securities except those exempt under Section 3 or those offered and sold under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
8. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
9. Section 12.A of the Act provides *inter alia* that it shall be a violation for any person to offer and sell any security except in accordance with the provisions of the Act.
10. Section 12.D of the Act provides *inter alia* that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
11. By virtue of the foregoing Respondents have violated Sections 12.A and 12.D of the Act.

FRAUD IN SALE OF SECURITIES

12. Respondents failed and refused to pay Investor the 2% monthly interest as promised, failed and refused to limit use of the credit cards to “30% of the credit limit” as promised, and failed and refused to “improve the credit” of Investor, but instead used 100% of the available credit and damaged Investor’s credit score.
13. Respondents also failed and refused to notify Investor of the risk involved in the investment contract that could result in the loss of the Investor’s money and good credit rating.
14. 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 connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
15. 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 light of the circumstances under which they were made, not misleading.
16. By virtue of the foregoing, Respondents violated Sections 12.F and 12.G of the Act and will violate them again if they make further offers, or if they make any sales of investment contracts or other securities described above in the State of Illinois.
17. The aforementioned findings are based upon credible evidence.
18. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
19. The entry of this Temporary Order of Prohibition prohibiting Respondents, or their agents, affiliates, successors and employees, from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents **Darlene Dantes and Capapie, Inc.** their partners, officers and directors, agents, employees, affiliates, successors and assigns are

Temporary Order of Prohibition


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Temporarily Prohibited from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and will extend the effectiveness of this Temporary Order of Prohibition for sixty (60) days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 1st day of October 2008.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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