

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: BIKINI VENDING, INC.,)
A/K/A 360 WIRELESS, INC.,)
NETWORK SERVICES DEPOT, INC.,)
THEIR OFFICERS, DIRECTORS,)
EMPLOYEES, AFFILIATES, SUCCESSORS,) File No. 0400211
AGENTS AND ASSIGNS,)
CHARLES V. CASTRO,)
EDWARD BEVILACQUA,)
AND JAMES MURDOCK)

ORDER OF PROHIBITION

TO THE RESPONDENTS: Edward Bevilacqua
Bikini Vending, Inc., a/k/a 360 Wireless
1370 San Marcos Blvd.
San Marcos, California 92069

WHEREAS, the record of the above captioned matter has been reviewed by the Secretary of State or his duly authorized representative;

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State;

WHEREAS, the proposed Findings of Facts and Conclusions of Law and Recommendation of the Hearing officer, Jon K. Ellis, in the above-captioned matter have been read and examined;

WHEREAS, the following proposed Findings of Fact are correct and are adopted by the Secretary of State as follows:

1. The evidence, Exhibits, Stipulations to Enter Consent Orders and Consent Orders have been offered and received from the Department, and a proper record of all proceedings has been made and preserved as required by law.
2. The Hearing Officer has ruled on all motions and objections timely made and submitted.
3. The Hearing Officer and the Secretary of State Securities Department have jurisdiction over the parties herein and

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subject matter dealt with herein, due and proper notice having been previously given as required by statute in this Matter.

4. As no Answers were filed, Respondents, Bikini Vending, Inc., a/k/a 360 Wireless, and Edward Bevilacqua, are therefore deemed to be in default.
5. The Respondent Network Services Depot, Inc. is a purported business entity, with a last known address of 3000 East Birch Street, Suite 105, Brea, California 92821.
6. The Respondent Bikini Vending Inc., a/k/a 360 Wireless, Inc. is a purported business entity, with a last known address of 1370 West San Marcos Boulevard, San Marcos, California 92069.
7. At all times relevant, the Respondent Charles V. Castro was the President of Network Services Depot, Inc.
8. At all times relevant, the Respondent Edward Bevilacqua was an officer, director, agent or employee of Bikini Vending, Inc. and the President of 360 Wireless, Inc.
9. At all times relevant, the Respondent James Murdock was an officer, director, agent or employee of Network Services Depot, Inc.
10. On or about February 10, 2003, the Respondents Network Services Depot, Inc., Bikini Vending, Inc., Their officers, directors, employees, agents, affiliates, successors and assigns, including Charles V. Castro, Edward Bevilacqua and James Murdock, offered and sold to HR, an Illinois resident, 18 internet kiosks, as well as a service and management agreement for said kiosks, for an investment of \$99,000.00 at \$5,500.00 per kiosk; in return for said investment, the Respondent Network Services Depot, Inc. would provide purported locations for said kiosks, Bikini Vending, Inc. would purportedly service and manage said kiosks, and HR would receive a monthly deposit in his bank account representing the purported income/commission derived from all of the aforesaid 18 kiosks he had purportedly purchased.
11. Network Services Depot, Inc. was the sole client of Bikini Vending, Inc.

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12. HR was given no choice by Network Services Depot, Inc. other than Bikini Vending, Inc. to manage and service said kiosks.
13. Each of the above referenced kiosk agreements is an investment plan and therefore a security as that term is defined pursuant to Section 2.1 of the Act.
14. During the time period between June 1, 2003 and February 29, 2004, HR received monthly deposits in his bank account from the Respondents Network Services Depot Inc. and/or Bikini Vending, Inc. in the amount of \$990.00 which purportedly represented the commission derived from the purported use of all of the 18 kiosks which were purportedly located at the 18 locations supplied to HR by Network Services Depot, Inc. and purportedly managed and serviced by Bikini Vending, Inc.
15. In fact, no kiosks were ever placed in 16 of the aforementioned 18 kiosks locations supplied to HR by Network Services Depot, Inc. and/or purportedly serviced and managed by Bikini Vending, Inc.
16. Since the month of February, 2004, and up to the present date, HR received no further deposits in his bank account from the Respondents Network Services Depot, Inc. and/or Bikini Vending, Inc.
17. At all times relevant hereto, the Respondents Bikini Vending, Inc., their officers, directors, employees, agents, affiliates, successors and assigns, and Edward Bevilacqua, obtained money or property from HR by means of an untrue statement of material fact or an omission to state a material fact by representing to HR that his investment was to be used to purchase 18 kiosks, that said kiosks would be placed in 18 locations, and that the money he would be receiving was derived from the proceeds of all 18 kiosks, when in fact, 16 of the 18 kiosks never existed and were never placed in the locations supplied by Network Services Depot, Inc. nor managed and serviced by Bikini Vending, Inc.; that as of the month of February, 2004, the monthly payments have stopped without notice and HR has received no further return on his investment.

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18. At all times relevant hereto, the Respondents Bikini Vending, Inc., their officers, directors, employees, agents, affiliates, successors and assigns, and Edward Bevilacqua, employed a scheme to defraud in connection with the sale or purchase of a security by purporting to sell to HR, as well as locate and manage for HR, 18 internet kiosks, and that HR would receive monthly commissions from the proceeds of all 18 kiosks; that up until February, 2004, HR in fact received monthly deposits in his bank account purportedly representing commission from all 18 kiosks, when in fact 16 of said 18 kiosks never existed and were never placed in the locations supplied by the Respondents Network Services Depot, Inc. nor managed and serviced by Bikini Vending, Inc.; that as of the month of February, 2004, the aforesaid monthly payments have stopped without notice and HR has received no further return on his investment.

19. That Section 2.1 of the Act defines the term "Security as any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit sharing agreement, collateral trust certificate, pre-organization certificate or subscription, transferable share, investment contract, investment fund share, face-amount certificate, voting trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral lease, right or royalty, any put, call, straddle, option or privilege on any security, certificate of deposit, or group of index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "Security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt of, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. "Security" does not mean a mineral investment contract or mineral deferred delivery contract; provided, however, the Department shall have the authority to regulate these contracts as hereinafter provided.

20. Section 2.5 of the Act defines the term "Sale or Sell" to include the full meaning of that term as applied by or accepted in the courts of this State, and shall include

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every contact of sale or disposition of a security or interest in a security for value.

21. Section 2.5a of the Act defines the term "Offer" to include every offer to sell or otherwise dispose of, or solicitation of an offer to purchase, a security or interest in a security for value; provided that the term "Offer" shall not include preliminary negotiations or agreements between an issuer and any underwriter or among underwriters who are or are to be in privity of contract with an issuer, or the circulation or publication of an identifying statement or circular or preliminary prospectus, as defined by rules or regulations of the Secretary of State.
22. Each of the above-referenced kiosk agreements is an investment plan and therefore a security as that term is defined pursuant to Section 2.1 of the Act.
23. Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
24. At all times relevant hereto, the Respondents Network Services Depot, Inc., Bikini Vending, Inc., their officers, directors, employees, agents, affiliates, successors and assigns, including Charles V. Castro, Edward Bevilacqua and James Murdock, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois.
25. 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 securities except in accordance with the provisions of the Act.
26. Section 12.D of the act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under any provision of the Act.

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27. 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 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.
28. Section 12.I of the Act provides, inter alia, that it shall be a violation of the Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
29. Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection F or subsection G of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State.
30. Section 11.E(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or salesperson without prior thereto and at the time thereof having complied with the registration or notice filing requirements of this Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State.
31. Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses.
32. By virtue of the foregoing, the Respondents Bikini Vending, Inc. a/k/a 360 Wireless, Inc., their officers, directors, employees, agents, affiliates, successors and assigns, and Edward Bevilacqua, have violated Sections 12.A, 12.D, 12.G and Section 12.I of the Act.
33. By virtue of the foregoing, the Respondents Bikini Vending, Inc. a/k/a 360 Wireless, Inc., their officers, directors, employees, agents, affiliates, successors and

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assigns, and Edward Bevilacqua, are subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

34. The entry of a Final Order of Prohibition and fine up to \$10,000.00 per violation is proper in this case given the conduct of the Respondents as described in Secretary of State Exhibits No. 1-16, as well as the fact that the Respondents failed to appear at the hearing and properly answer the Notice of Hearing.

WHEREAS, the following proposed Conclusions of Law are correct and are adopted by the Secretary of State as follows:

1. After proper notification, the Department may proceed with a hearing in the Respondent's absence. (735 ILCS 5/1-105 and 5/2-1301; Ryan v. Bening, 1978, 22 IL.Dec.873, 66 Ill.App.3d 127, 383 N.E.2d 681; In Re the Marriage of Garde, 1983, 73 Ill.Dec. 816, 118 Ill.App.3d. 303, 454 N.E.2d 1065). Significantly, the Notice of Hearing outlines that a default judgment may be entered against a Respondent that fails to appear or answer the charges;
2. The actions, statements, representations, and/or omissions of the Respondents made in connection with the failure to offer or sell any security in accordance with the provisions of the Act are violations of Section 12.A of the Act. The actions, representations, statements and/or omissions of the Respondents made in connection with the failure to file required documents with the Secretary of State are violations of Section 12.D of the Act. The actions, representations, statements and/or omissions of the Respondents which were untrue, misleading or omitting of material facts and were made to obtain money from an Illinois purchaser are violations of Section 12.G of the Act. The actions, representations, statements and/or omissions of the Respondents which were employed as any device, scheme or artifice to defraud an Illinois purchaser in connection with the sale or purchase of any security, directly or indirectly, are violations of Section 12.I of the Act.
3. By virtue of the foregoing, the Respondents Bikini Vending, Inc. a/k/a 360 Wireless, Inc., their officers, directors, employees, agents, affiliates, successors and

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assigns, and Edward Bevilacqua, are subject to an Order of permanent Prohibition in the State of Illinois, a \$10,000.00 fine for each violation of the Act, and/or granting such other relief as may be authorized under the Act.

4. Because of the Findings of Fact, the pleadings and Exhibits, as well as the fact that the Respondents failed to answer the Notice of Hearing or appear at the hearing, the entry of a written Order of Prohibition pursuant to 815 ILCS 5/11.E(2) and (3) which permanently prohibits the offer or sale of securities by the Respondents in the State of Illinois and the imposition of a \$40,000.00 fine pursuant to 815 ILCS 5/11.E(4), with joint and several liability thereon, based upon at least four separate violations of the Act, is proper in this Matter.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Respondents shall be permanently prohibited from offering and selling securities in the State of Illinois;
2. The Respondents shall pay a fine in the amount of \$40,000 for multiple violations of the Act, that liability will be joint and several, and that that Respondents will deliver a certified check(s) or money order(s) within ten (10) days of the entry of the Order. The check shall be payable to the Secretary of State, Securities Audit and Enforcement Fund.

ENTERED: This 13th day of December, 2005



Jesse White
Secretary of State
State of Illinois



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

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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.

Attorney for the Secretary of State:

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