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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: James Albert Sweeney II
3666 University Avenue, 3rd Floor
Riverside, California 92501

BigCo-op, Inc.
3666 University Avenue, 3rd Floor
Riverside, California 92501

Richard Hickey
3666 University Avenue, 3rd Floor
Riverside, California 92501

Patrick Ryan
3666 University Avenue, 3rd Floor
Riverside, California 92501

Ez2Win.Biz
3666 University Avenue, 3rd Floor
Riverside, California 92501

Rick Deluca
P.O. Box 41011
San Jose, California 95106

DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. BigCo-op, Inc. is a Delaware Corporation incorporated on April 17, 2000 and has a registered business address of 3666 University Avenue, 3rd Floor, Riverside, California 92501. It has a website located at www.bigco-op.com. BigCo-op, Inc. claims to allow persons to make money by purchasing their own BigCo-op website through which they can make commissions when they and other people purchase things from other vendors through their BigCo-op, Inc. website. They also

1 claim that participants can make money and win prizes, including Mercedes Benz automobiles and
2 Rolex wristwatches by attracting new participants in the multilevel marketing scheme operated by
3 BigCo-op, Inc.

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5 2. BigCo-op, Inc. also does business under the name Ez2Win.Biz, which lists its business
6 address at 3666 University Avenue, 3rd Floor, Riverside, California 92501. It has a website with an
7 address of www.ez2win.biz. The website claims that Ez2Win.Biz has the exclusive marketing rights
8 to its parent company, BigCo-op, Inc., although Ez2Win.Biz is not a separate company.

9 3. James Albert Sweeney II, a.k.a. J. Albert Sweeney, James Sweeney and Jim Sweeney
10 (James Sweeney) is the current CEO and Chairman of BigCo-op, Inc. and Chairman of Ez2Win.Biz
11 according to the Ez2Win.Biz website. James Sweeney was also represented to be the president of
12 BigCo-op, Inc. on stock certificates issued to some investors. James Sweeney was also the president
13 of Valuenetglobal.com, Inc. a Nevada Corporation that was merged into BigCo-op, Inc. on June 7,
14 2000, according to records of the Nevada Secretary of State.

15 4. Patrick Ryan, a.k.a. Patrick Sweeney, is the president and co-founder of Ez2Win.Biz and
16 has been involved with BigCo-op, Inc. since its inception according to the Ez2Win.Biz website.

17 5. Richard Hickey is the president and the registered agent for service of process of Big Co-
18 op, Inc. with a registered address of 3666 University Avenue, 3rd Floor, Riverside, California 92501.

19 6. Rick Deluca a.k.a. Ricky R. Deluca is a sales agent for Ez2Win.Biz and BigCo-op Inc.
20 with a mailing address of P.O. Box 41011, San Jose, California 95106.

21 7. On October 23, 2006 the Commissioner for the California Department of Corporations
22 issued a Desist and Refrain Order against BigCo-op, Inc., Ez2Win.Biz, James Sweeney, Patrick
23 Ryan, Richard Hickey and Rick Deluca for offering and selling unqualified securities in violation of
24 Corporations Code Section 25110 in the form of stock in BigCo-op, Inc. and for making
25 misrepresentations and omissions of material fact in selling those securities in violation of
26 Corporations Code Section 25401. The Order prohibited them from offering or selling unqualified
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1 securities and from offering or selling securities by means of misstatements or omissions of material
2 fact.

3 8. Beginning in or about 2000, and continuing to the present time, BigCo-op, Inc.,
4 Ez2Win.Biz, James Sweeney, Patrick Ryan, Richard Hickey and Rick Deluca offered and sold to the
5 public investment contracts in the form of “licenses” which allowed the purchasers to participate in
6 different levels of a multilevel pyramid marketing scheme. Licenses were also referred to sometimes
7 as “memberships” by BigCo-op, Inc. and Ez2Win.Biz salesmen. The licenses were offered through
8 advertising on the website, sales meetings, and by word of mouth. The type of licenses offered and
9 sold by BigCo-op, Inc. and Ez2Win.Biz are referred to as E-commerce Market Brokers (EMBs), E-
10 commerce Entrepreneurs (ECEs), Independent Travel Agents (ITAs) and “EMB Founders
11 Positions”. EMB Founders Positions were also sometimes referred to as “Founders Memberships”.
12 The licenses for participation in the multilevel marketing scheme required purchasers to pay fees
13 varying from \$199 to \$400 for the initial license fee for a basic EMB, ITA or ECE and \$2500 for an
14 EMB Founders Position. Various administrative fees and monthly “autoship” charges were also
15 charge to the purchasers of licenses ranging from \$49 to \$129 a month depending on the type of
16 license purchased.

17 9. The persons who purchased licenses were encouraged and trained by BigCo-op, Inc. and
18 Ez2Win.Biz to sell licenses for EMB, ITA, ECE and “EMB Founders Positions” to others and were
19 given a commission for the sale of each license they sold. The commission was \$100 for the sale of
20 a basic license and \$1000 for the sale of a Founders Position. They were also promised a commission
21 on the sale of licenses by the persons they had sold licenses to and so on down the marketing chain
22 for as many as 8 levels. The licensees also could earn commissions on the purchases of goods and
23 services bought on the BigCo-op website by themselves and new licensees they had brought in below
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1 them on the marketing chain. The commissions made on the sales of good and services purchased
2 through the BigCo-op website was represented to be the “core business” of BigCo-op, Inc.

3 However, almost all of the income generated by Big Co-op, Inc. came from selling licenses and
4 related fees, and less than 1% of its income came from commissions earned on its “core business” of
5 shopping for goods or services through the BigCo-op network website.
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7 10. It was also represented by BigCo-op, Inc., and Ez2Win.Biz that purchasers of the EMB
8 Founders Position licenses were entitled to a share of 2.5% of the fees received by BigCo-op, Inc.
9 from the sales of all EMB Founders Positions by BigCo-op and Ez2Win.Biz and that Founders would
10 receive a portion of the monthly “autoship” charges paid by other Founders. EMB Founders Position
11 licenses were reportedly limited to 1000 total. Many purchasers of EMB Founders Positions were
12 also provided “free” shares of stock in Big Co-op, Inc. when they purchased the license, and were
13 told that they would profit from the shares, as the company was about to have its initial public
14 offering of stock soon. Some purchasers of Founders Positions in late 2006 were told BigCo-op, Inc.
15 was scheduled to go public in December of 2006. It was also represented that purchasers of basic
16 EMB licenses could earn stock in BigCo-op, Inc. as part of the compensation program.
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18 11. The investment contracts in the form of licenses, for E-commerce Market Brokers
19 (EMBs), E-commerce Entrepreneurs (ECEs), Independent Travel Agents (ITAs) and “EMB
20 Founders Positions” sometime referred to as Founders Memberships, offered and sold by BigCo-op,
21 Inc., Ez2Win.Biz, James Sweeney, Patrick Ryan, Richard Hickey and Rick Deluca constitute
22 securities. The Department of Corporations has not issued a permit or other form of qualification
23 authorizing any person to offer and sell these securities in this state.
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25 12. BigCo-op, Inc., Ez2Win.Biz, James Sweeney, Patrick Ryan, Richard Hickey and Rick
26 Deluca offered and sold these securities by means of written and oral communications which
27 included untrue statements of material fact and which omitted to state material facts necessary in
28 order to make the statements made, in the light of the circumstances under which they were made, not

1 misleading. The material misstatements and omissions made include the failure to disclose to
2 subsequent purchasers of the licenses that the public offering of BigCo-op, Inc. stock still had not
3 occurred several years after prior purchasers had been told it would occur. It was also not disclosed
4 to purchasers that BigCo-op, Inc. had made no significant effort to prepare the required documents
5 such as audited financial statements or business plans which would be required to take the company
6 public, and had not applied to any State or Federal regulatory agencies to be permitted to offer
7 publicly traded stock. The statements made to license purchasers in 2006 that Thomas Wiesel
8 Partners was going to take Big Co-op, Inc. public in December of 2006 was also untrue in that no
9 request had been made at that time by BigCo-op, Inc. to Thomas Wiesel Partners to take any action
10 or make any preparations to take BigCo-op, Inc. public in December of 2006, or at any other time.

11 13. It was also not disclosed to purchasers of licenses that BigCo-op, Inc. and Ez2Win.Biz
12 had operated at a loss in each year of its existence and had a continuing loss of over 4 million dollars
13 by the end of 2006. They failed to disclosed that almost all the income for the company was
14 generated by the sale of licenses and fees charged to participants in the multilevel marketing scheme,
15 and that income from BigCo-op, Inc.'s "core business" of making commissions from the sale of
16 goods and services from third parties through the BigCo-op internet shopping network amounted to
17 less than 1% of the company's income. They also failed to disclose to purchasers that the certified
18 public accountant who prepared the financial statements for BigCo-op, Inc. for years 2003-2006 had
19 included a notice with the statements for each of those years that BigCo-op, Inc. had not been able to
20 market its products at amounts sufficient to recover its service and administrative costs and had
21 suffered consecutive losses for 5 years. The accountant's notice concluded "because of uncertainties
22 surrounding the ability of the Company to continue its operations and to satisfy its creditors on a
23 timely basis, there is doubt about the company's ability to continue as a going concern."

24 Based upon the foregoing findings, the California Corporations Commissioner is of the
25 opinion that BigCo-op, Inc., Ez2Win.Biz, James Sweeney, Patrick Ryan, Richard Hickey and Rick
26 Deluca engaged in the offer and sale of securities in the form of investment contracts for E-commerce
27 Market Brokers (EMBs), E-commerce Entrepreneurs (ECEs), Independent Travel Agents (ITAs) and
28 "EMB Founders Positions" licenses. Those securities have not been qualified under the California

1 Corporate Securities Law of 1968, in violation of section 25110 of the Corporations Code. Pursuant
2 to section 25532 of the Corporate Securities Law of 1968, BigCo-op, Inc., Ez2Win.Biz, James
3 Sweeney, Patrick Ryan, Richard Hickey and Rick Deluca are hereby ordered to desist and refrain
4 from the further offer or sale in the State of California of securities, including but not limited to
5 licenses for E-commerce Market Brokers (EMBs), E-commerce Entrepreneurs (ECEs), Independent
6 Travel Agents (ITAs) and “EMB Founders Positions” sometime referred to as Founders
7 Memberships unless and until qualification has been made under the law or unless exempt.

8 The California Corporations Commissioner is further of the opinion that BigCo-op, Inc.,
9 Ez2Win.Biz, James Sweeney, Patrick Ryan, Richard Hickey and Rick Deluca offered and sold
10 securities in the form of licenses for E-commerce Market Brokers (EMBs), E-commerce
11 Entrepreneurs (ECEs), Independent Travel Agents (ITAs) and “EMB Founders Positions” sometime
12 referred to as Founders Memberships, by means of written and oral communications including untrue
13 statements of material facts and omissions of material facts necessary to make the statements not
14 misleading, in violation of section 25401 of the Corporations Code. Pursuant to section 25532 of the
15 Corporate Securities Law of 1968, BigCo-op, Inc., Ez2Win.Biz, James Sweeney, Patrick Ryan,
16 Richard Hickey and Rick Deluca are hereby ordered to desist and refrain from offering or selling any
17 security in the State of California, by means of any written or oral communication which includes an
18 untrue statement of a material fact or omits to state a material fact necessary in order to make the
19 statements made, in the light of the circumstances under which they were made, not misleading.

20 This Order is necessary, in the public interest, for the protection of investors and consistent
21 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

22 Dated: May 2, 2007
23 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

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26 By _____
ALAN S. WEINGER
27 Lead Corporations Counsel
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