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

TO: Walter Kane a/k/a Pat Kane
22 Sawgrass
Coto de Caza, CA 92679

Applied Data Communications, Inc.
3324 South Susan Street
Santa Ana, CA 92704

DESIST AND REFRAIN ORDER
(For violation of section 25110 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Walter Kane was president and chief executive officer of Applied Data Communications, Inc., a Delaware corporation, located at 3324 South Susan Street, Santa Ana, California, 92704.
2. Beginning in or about August 1997, Walter Kane and Applied Data Communications offered and sold securities in the state of California. The Department of Corporations has not issued a permit or other form of qualification authorizing any person to offer and sell these securities in this state.
3. Although on May 22, 2002, Applied Data Communications filed a limited offering exemption notice under Corporations Code section 25102(f), these securities do not qualify for the exemption under Corporations Code section 25102 (f), as the purchasers involved had no preexisting personal or business relationship with Applied Data Communications or

1 any of its partners, officers, directors or controlling persons, nor could it be reasonably
2 assumed that the purchasers had the capacity to protect their own interests in connection
3 with the transaction.

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5 Based upon the foregoing findings, the California Corporations Commissioner is of
6 the opinion that the investments in Applied Data Communications offered and/or sold by
7 Applied Data Communications and/or Walter Kane, also known as Pat Kane, are securities
8 subject to qualification under the California Corporate Securities Act of 1968 and are being
9 or have been offered or sold without being qualified or exempt in violation of Corporations
10 Code section 25110. Pursuant to Section 25532 of the Corporate Securities Law of 1968,
11 Walter Kane, also known as Pat Kane, and Applied Data Communications are hereby
12 ordered to **DESIST and REFRAIN** from the further offer or sale in California of securities,
13 unless and until qualification has been made under the law.

14 This Order is necessary, in the public interest, for the protection of investors and
15 consistent with the purposes, policies, and provisions of the Corporate Securities Law of
16 1968.

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18 Dated: December 31, 2004
19 Sacramento, California

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21 WILLIAM P. WOOD
22 California Corporations Commissioner

23
24 By _____
25 WAYNE STRUMPFER
26 Acting Deputy Commissioner
27 Enforcement and Legal Services
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