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## STATE OF CALIFORNIA

## BUSINESS, TRANSPORTATION AND HOUSING AGENCY DEPARTMENT OF CORPORATIONS

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

> BigCo-op, Inc. 3666 University Avenue, 3<sup>rd</sup> Floor Riverside, California 92501

> Richard Hickey, BigCo-op Inc. 3666 University Avenue, 3<sup>rd</sup> Floor Riverside, California 92501

Patrick Ryan 3666 University Avenue, 3<sup>rd</sup> Floor Riverside, California 92501

Ez2Win.Biz 3666 University Avenue, 3<sup>rd</sup> 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, 3<sup>rd</sup> Floor, Riverside, California 92501. It has a website located at 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 money when they and other people purchase things from other vendors through their BigCo-op, Inc. website. They also claim

that participants can make money and win prizes, including Mercedes Benz automobiles and Rolex wrist watches by attracting new participants in the multilevel Internet marketing scheme operated by BigCo-op, Inc.

- 2. Ez2Win.Biz is a business entity whose form is unknown which also has its business address at 3666 University Avenue, 3<sup>rd</sup> Floor, Riverside, California 92501. It has a website with an address of ez2win.biz. The website claims that Ez2Win.Biz has the exclusive marketing rights to its parent company, BigCo-op, Inc.
- 3. James Albert Sweeney II, a.k.a. J. Albert Sweeney, James Sweeney and Jim Sweeney (James Sweeney) is the current CEO and Chairman of BigCo-op, Inc. and Chairman of Ez2Win.Biz according to the Ez2Win.Biz website. James Sweeney was also represented to be the president of BigCo-op, Inc. on stock certificates issued to some investors. James Sweeney was also the president of Valuenetglobal.com, Inc. a Nevada Corporation that was merged into BigCo-op, Inc. on June 7, 2000, according to records of the Nevada Secretary of State.
- 4. Patrick Ryan, a.k.a. Patrick Sweeney, is the president and co-founder of Ez2Win.Biz according to the Ez2Win.Biz website.
- 5. Richard Hickey is the president and the registered agent for service of process of Big Coop, Inc. with a registered address of 3666 University Avenue, 3<sup>rd</sup> Floor, Riverside, California 92501.
- 6. Rick Deluca a.k.a. Ricky R. Deluca is a sales agent for Ez2Win.Biz and BigCo-op Inc. with a mailing address of P.O. Box 41011, San Jose, California 95106.
- 7. Beginning in or about 2000, and continuing to the present time, BigCo-op, Inc., Ez2Win.Biz, James Sweeney, Patrick Ryan, Richard Hickey and Rick Deluca offered and sold shares of stock in BigCo-op, Inc. It was represented to investors in 2003 that they could get their money back at any time and that BigCo-op, Inc. was about to go public in the next 3 months and that the stock would increase dramatically in value. To some investors who attended meetings in 2006 to learn about BigCo-op, Inc. it was represented that the stock would be a "gift" from James Sweeney

for purchasing a "founders membership" in BigCo-op, Inc. for \$2500.00. It was also represented that investors could purchase stock for 1 dollar per share. Investors at those meetings were told that Thomas Weisel Partners was going to take BigCo-op, Inc. public within three months in December of 2006, and that the stock would likely increase many times in value when it did. It was represented at meetings that BigCo-op Inc. was a "search engine" like Google and that its stock could increase in value many times like Google's had done when the company went public.

- 8. The shares of stock in BigCo-op, Inc. offered and sold by BigCo-op, Inc., Ez2Win.Biz, James Sweeney, Patrick Ryan, Richard Hickey and Rick Deluca constitute securities. 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.
- 9. BigCo-op, Inc., Ez2Win.Biz, James Sweeney, Patrick Ryan, Richard Hickey and Rick Deluca offered and sold securities by means of written and oral communications which included untrue statements of material fact and which omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. The material misstatements and omissions made include the failure to disclose to subsequent investors that the public offering of BigCo-op, Inc., still had not occurred several years after earlier investors had been told it would occur when they purchased the stock. The statement made to investors in 2006 that Thomas Wiesel Partners was going to take Big Co-op public in December of 2006 was also untrue in that no request had been made at that time by BigCo-op, Inc. to Thomas Wiesel Partners to take any action or make any preparations to take BigCo-op, Inc. public in December of 2006, or at any other time. It was also not disclosed to subsequent investors that previous investors who had been told they could get their money back at any time by Patrick Ryan when they purchased their stock, were later denied the return of their money from BigCo-op, Inc when they requested it.
- 10. BigCo-op, Inc., Ez2Win.Biz, James Sweeney, Patrick Ryan, Richard Hickey and Rick Deluca also failed to disclose to investors that a prior lawsuit had been filed on February 22, 2002

against James Sweeney and BigCo-op Inc. in United States District Court for the Western District of Washington entitled *The Topline, Inc v. The Big Co-op Inc. and James Albert Sweeney*, case number CV02-0434. That suit brought by participants in the BigCo-op Inc. marketing scheme contained causes of action for fraud and unfair competition in addition to causes of action for selling unregistered nonexempt stock in violation of the registration requirement of Section 12(a)(1) of the Federal Securities Act and for knowingly making material misrepresentations and ommisions in the sale of that stock in violation of Section 12(a)(2) of the Federal Securities Act. The complaint alleged that Albert Sweeney had intentionally misrepresented that the BigCo-op Inc. stock had been valued in the range of \$200,000,000 by an independent auditor and that individual shares were valued at \$20-40 per share when in fact the "stock was essentially worthless at all times." That suit also alleged that the stock was promised to participants in return for bringing in new members and that monthly payments for membership fees continued to be deducted automatically from members accounts by BigCo-op, Inc. even after BigCo-op, Inc.'s website had been shut down for several months in 2001 preventing members from engaging in any profit making from their participation in the multilevel marketing program.

11. BigCo-op, Inc., Ez2Win.Biz, James Sweeney, Patrick Ryan, Richard Hickey and Rick Deluca also failed to disclose that another law suit had been filed in Riverside Superior Court against James Sweeney entitled *Anthony McAlister M.D. v J. Albert Sweeney, II* case number RIC442011 in December of 2005. That complaint alleged that Albert Sweeney had defaulted on his promise to repay a \$50,000 loan made to him in February of 2003, which had become due on May of 2004. The complaint alleged that the loan was secured by a promissory note that stated that as consideration for the loan that "Mr. Sweeney will cause to have issued to Dr. McAlister a Big Co-op Stock Certificate representing ownership by Dr. McAlister of 50,000 Shares of BigCo-op Common Stock." The note also states "The Lender will have the option at maturity of converting the note into 100,000 shares of BigCo-op Common Stock, at which time the lender will release the Borrower from any surety hereof". A default judgment was entered in that action against Albert Sweeney in the amount of \$53,000, on March 3, 2006, which James Sweeney has failed to pay.

Based upon the foregoing findings, the California Corporations Commissioner is of the
opinion that BigCo-op, Inc., Ez2Win.Biz, James Sweeney, Patrick Ryan, Richard Hickey and Rick
Deluca engaged in the offer and sale of securities in the form of shares of stock of BigCo-op, Inc.
Those securities have not been qualified under the California Corporate Securities Law of 1968, in
violation of section 25110 of the Corporations Code. Pursuant to section 25532 of the Corporate
Securities Law of 1968, BigCo-op, Inc., Ez2Win.Biz, James Sweeney, Patrick Ryan, Richard Hickey
and Rick Deluca are hereby ordered to desist and refrain from the further offer or sale in the State of
California of securities, including but not limited to shares of stock in BigCo-op, Inc. unless and until
qualification has been made under the law or unless exempt.
The California Corporations Commissioner is further of the opinion that BigCo-op, Inc.,

The California Corporations Commissioner is further of the opinion that BigCo-op, Inc., Ez2Win.Biz, James Sweeney, Patrick Ryan, Richard Hickey and Rick Deluca offered and sold securities in the form of shares of stock, by means of written and oral communications including untrue statements of material fact and omission of material facts necessary to make the statements not misleading, in violation of section 25401 of the Corporations Code. Pursuant to section 25532 of the Corporate Securities Law of 1968, BigCo-op, Inc., Ez2Win.Biz, James Sweeney, Patrick Ryan, Richard Hickey and Rick Deluca are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security in the State of California, by means of any written or oral communication which includes an untrue statement of a material fact or omits 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.

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

Dated: October 23, 2006 Los Angeles, California

> PRESTON Du FAUCHARD California Corporations Commissioner

By\_\_\_\_\_\_ALAN S. WEINGER
Lead Corporations Counsel