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

TO: TRU-LIGHT CORPORATION
David W. Barth
Mellon -Thomas Benedict
2 Harris Court, Suite B5
Monterey, CA 93940

200 Clock Tower Place, Suite D-207
Carmel, CA 93923

723 So. Casino Center Blvd. 2nd Fl
Las Vegas, NV 89101-6716

DESIST AND REFRAIN ORDER
(For violations of California Corporations Code section 25110)

The California Corporations Commissioner finds that:

1. Tru-Light Corporation ("TLC"), a Nevada corporation was qualified to do business in California (corporation number 2057945). TLC previously had business offices located at 200 Clock Tower Place, Suite D-207, Carmel, California. TLC relocated to 2 Harris Court, Suite B5, Monterey, California 93940. In April 2000 the California Franchise Tax Board had TLC's corporate charter forfeited, according to records of the California Secretary of State's Office. TLC's corporate status was subsequently restored.

2. David W. Barth ("Barth") is and, at all relevant times, was the President and Chief Executive Officer ("CEO") of TLC. Barth represented himself to be a founder and the Chief Financial Officer ("CFO") of Biorecycling Technologies, Inc., ("BTI"). BTI was qualified to do business in California (corporate number 1855406) but was suspended by the California Secretary of State's Office and had its corporate charter

1 forfeited. Both Barth and BTI were defendants in excess of seventy-five civil actions
2 filed throughout California, and had numerous judgments and tax liens filed against
3 them. In 1999 BTI declared bankruptcy by filing a petition in the U.S. Bankruptcy Court,
4 Central District of California, San Bernardino County, case number 9920659.

5 3. Mellon -Thomas Benedict ("Benedict") is and, at all relevant times, was
6 the Chairman and Chief Technology Officer ("CTO") of TLC. Benedict is described in
7 TLC's documents as a researcher, inventor and lecturer. Benedict has informed
8 investors that in 1982 he died from terminal cancer; but reportedly then came back to
9 life after an hour and a half. Subsequently, Benedict began working with TLC with
10 responsibility for TLC's "research and product development activities."

11 4. Beginning in 1999 and continuing thereafter, Barth and Benedict
12 represented TLC to be an early stage technology company that "has developed a new
13 paradigm in anti-aging and regeneration technology that can slow down the aging
14 process to a crawl and reverse many of its negative effects." Barth and Benedict
15 informed investors that TLC's technology could "'super-boost' the body's immune
16 system" and was based on "phototherapy, energy medicine and molecular and quantum
17 biology." Barth and Benedict represented that TLC has products ready for shipment,
18 signed customer commitments and proprietary technology.

19 5. In 2000 and continuing thereafter, Barth and Benedict met with potential
20 investors and explained the TLC investment opportunity. Barth and Benedict were
21 seeking a \$1,000,000 second round of financing. Barth and Benedict provided charts
22 showing that investors' funds in the first round of financing had been used for research
23 and development, medical testing, laboratory equipment, office equipment, insurance,
24 test marketing, facility rent and administrative expenses.

25 6. Funds from the second round of financing were to be used for TLC's
26 "product design completion, testing and market introduction." Barth and Benedict
27 provided charts showing the amount of investors' funds that would be used for patent
28 filings, industrial design, clinical trials, marketing and business development,

1 administration and overhead. The minimum investment to participate was stated to be
2 \$30,000 for 2,000 shares of common stock in TLC.

3 7. Barth and Benedict provided investors with investment information, five-
4 year financial projections, descriptions of modulated phototherapy and photographs of
5 prototypes.

6 8. Barth and Benedict also provided investors with a subscription agreement
7 stating that ". . . the shares have been issued pursuant to exemptions from registration
8 provisions of the [Federal] and State securities laws."

9 9. Barth and Benedict hired investors as "consultants" to raise additional
10 capital for TLC and, in exchange for their services in obtaining investors, compensated
11 them with both cash and additional shares of stock.

12 10. Barth and Benedict offered and sold securities in the form of shares of
13 TLC common and preferred stock to California investors. Investors provided in excess
14 of \$1,000,000 to Barth and Benedict in exchange for shares of TLC.

15 11. Shares of stock are defined as "securities" under California Corporations
16 Code section 25019, Corporate Securities Law of 1968. TLC's stock was offered and
17 sold in California in issuer transactions.

18 12. The Department of Corporations ("Department") has not issued a permit
19 license or other form of approval or qualification authorizing TLC, Barth or Benedict to
20 offer and sell common or preferred stock of TLC in the State of California. Additionally,
21 the Securities and Exchange Commission ("SEC") has not issued a permit, license or
22 other form of approval or registration authorizing TLC, Barth or Benedict to offer and sell
23 common or preferred stock of TLC. There is no record of TLC, Barth or Benedict filing
24 any notice of exemption with either the Department or the SEC.

25 13. The offer and sale of shares of stock of TLC to California residents are not
26 subject to any exemption from qualification under the Corporate Securities Law. The
27 sale of such securities are subject to qualification under said law and such securities are
28 being or have been offered for sale without first being so qualified.

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Las Vegas, NV 89101-6716

DESIST AND REFRAIN ORDER
(For violations of California Corporations Code section 25401)

The California Corporations Commissioner finds that:

1. Tru-Light Corporation ("TLC"), a Nevada corporation was qualified to do business in California (corporation number 2057945). TLC previously had business offices located at 200 Clock Tower Place, Suite D-207, Carmel, California. TLC relocated to 2 Harris Court, Suite B5, Monterey, California 93940. In April 2000 the California Franchise Tax Board had TLC's corporate charter forfeited, according to records of the California Secretary of State's Office. TLC's corporate status was subsequently restored.

2. David W. Barth ("Barth") is and, at all relevant times, was the President and Chief Executive Officer ("CEO") of TLC. Barth represented himself to be a founder and the Chief Financial Officer ("CFO") of Biorecycling Technologies, Inc., ("BTI"). BTI was qualified to do business in California (corporate number 1855406) but was suspended by the California Secretary of State's Office and had its corporate charter

1 forfeited. Both Barth and BTI were defendants in excess of seventy-five civil actions
2 filed throughout California, and had numerous judgments and tax liens filed against
3 them. In 1999 BTI declared bankruptcy by filing a petition in the U.S. Bankruptcy Court,
4 Central District of California, San Bernardino County, case number 9920659.

5 3. Mellon-Thomas Benedict ("Benedict") is and, at all relevant times, was the
6 Chairman and Chief Technology Officer ("CTO") of TLC. Benedict is described in TLC's
7 documents as a researcher, inventor and lecturer and that he has eight United States
8 patents. Benedict has informed investors that in 1982 he died from terminal cancer; but
9 then reportedly came back to life after an hour and a half. Subsequently, Benedict
10 began working with TLC with responsibility for TLC's "research and product
11 development activities."

12 4. Beginning in 1999 and continuing thereafter, Barth and Benedict
13 represented TLC to be an early stage technology company that "developed a new
14 paradigm in anti-aging and regeneration technology that slows the aging process down
15 to a crawl and reverse many of its negative effects." Barth and Benedict informed
16 investors that TLC's technology could "'super-boost' the body's immune system" and
17 was based on "phototherapy, energy medicine and molecular and quantum biology."
18 Barth and Benedict represented that TLC has products ready for shipment, signed
19 customer commitments and proprietary technology.

20 5. In 2000 and continuing thereafter, Barth and Benedict met with potential
21 investors and explained the TLC investment opportunity. Barth and Benedict were
22 seeking a \$1,000,000 second round of financing. Barth and Benedict provided charts
23 showing that investors' funds in the first round of financing had been used for research
24 and development, medical testing, laboratory equipment, office equipment, insurance,
25 test marketing, facility rent and administrative expenses. Documents given to investors
26 stated that TLC anticipates "that the funds raised from the second round of financing
27 would take the company to the IPO stage." Barth and Benedict provided investors with
28

1 investment information, five-year financial projections, descriptions of modulated
2 phototherapy and photographs of prototypes.

3 6. Funds from the second round of financing were to be used for TLC's
4 "product design completion, testing and market introduction." Barth and Benedict
5 provided charts showing the amount of investors' funds that would be used for patent
6 filings, industrial design, clinical trials, marketing and business development,
7 administration and overhead.

8 7. Barth and Benedict offered and sold securities in the form of shares of
9 TLC common and preferred stock to California investors. Investors provided in excess
10 of \$1,000,000 to Barth and Benedict in exchange for shares of TLC.

11 8. Shares of stock are defined as "securities" under California law found in the
12 Corporate Securities Law of 1968 set forth in the California Corporations Code section
13 25019. TLC's stock was offered and sold in California in issuer transactions.

14 9. During a period of time beginning in 1999 and continuing thereafter, Barth
15 and Benedict offered and sold securities in the form of shares of common and preferred
16 TLC stock to California investors. While doing so, Barth or Benedict misrepresented
17 material facts including, but not limited to, the following:

- 18 a. TLC had developed unique "cutting edge" technology and that
19 it does not exist anywhere in the world;
- 20 b. Benedict was the sole inventor of light technology and developer
21 of the light chair called "Odyssey Unit", which was of medical benefit
22 for sick people, including those stricken with cancer;
- 23 c. The TLC's products were patented and TLC would soon be
24 receiving FDA approval;
- 25 d. TLC had spent \$950,000 for research and development,
26 medical testing, laboratory equipment, office equipment,
27 insurance, test marketing, facility rent and administrative
28 expenses; and

1 e. The names of professional persons in the medical field as providing TLC
2 advice or evaluating and testing TLC's technology.

3 10. During a period of time beginning in 1999 and continuing thereafter, Barth
4 and Benedict offered and sold securities in the form of shares of common and preferred
5 TLC stock to California investors. While doing so, Barth or Benedict omitted material
6 facts including, but not limited to, the following:

- 7 a. TLC's technology was not novel;
- 8 b. Another company unrelated to TLC developed the light therapy
9 technology and products that had received FDA approval years earlier;
- 10 c. No medical studies demonstrated that TLC's products could treat or
11 cure cancer or other diseases;
- 12 d. TLC did not hold a valid patent for the technology;
- 13 e. Benedict only had five United States patents:
14 D 276694 issued 12/11/84;
15 D 275272 issued 8/21/84;
16 D 275071 issued 8/14/84;
17 D 274598 issued 7/10/84;
18 D 273082 issued 3/20/84; and one patent application
19 (No. 646464) that expired on 7/16/89 due to failure to pay
20 maintenance fees, all of the foregoing were for glass cutters;
- 21 f. Barth previously had several unsuccessful business ventures
22 and was a defendant in numerous civil cases;
- 23 g. Barth or his previous company BTI were the subject of judgments
24 and tax liens and a bankruptcy;
- 25 g. Investors would not receive TLC's financial statements and reports
26 or any accounting of the use of their funds after they invested; and
- 27 h. The names of professional persons in the medical field were being
28 used, without their consent or knowledge, in TLC's documents

1 given to Investors to support TLC's claims of "cutting edge"
2 technology.

3 11. Shares of stock are defined as securities under California law. Barth and
4 Benedict offered or sold TLC's common and preferred stock in California to investors by
5 means of misrepresentations and omissions of material facts in violation of California
6 Corporations Code section 25401, Corporate Securities Law of 1968.

7 Based upon the foregoing, the California Corporations Commissioner is of the
8 opinion that David W. Barth, Mellon -Thomas Benedict and Tru-Light Corporation
9 offered or sold shares of common and preferred stock by means of misrepresentations
10 and omissions of material facts in violation of California Corporations Code section
11 25401, Corporate Securities Law of 1968.

12 Pursuant to section 25532 of the Corporate Securities Law of 1968, the California
13 Corporations Commissioner orders David W. Barth, Mellon -Thomas Benedict and
14 Tru-Light Corporation to desist and refrain from offering or selling any security in the
15 State of California by means of misrepresentations and omissions of material facts.
16 This Order is necessary, in the public interest, for the protection of investors and
17 consistent with the purposes, policies, and provisions of the Corporate Securities Law of
18 1968.

19 Dated: January 23, 2003
20 Los Angeles, California

21 DEMETRIOS A. BOUTRIS
22 California Corporations Commissioner

23
24 By _____
25 ALAN S. WEINGER
26 Supervising Counsel
27 Enforcement and Legal Services Division
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