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

TO: David M. Upton
FocusCore, Inc.
28202 Cabot Road, Suite 300
Laguna Niguel, CA 92677

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

The California Corporations Commissioner finds that:

1. At all relevant times, FocusCore, Inc. ("FocusCore") is or was a Delaware corporation, formed in May 2000.
2. At all relevant times David M. Upton ("Upton") is or was President of FocusCore.
3. Beginning in or about November 2000 and continuing to at least March 2002, Upton and FocusCore offered or sold securities in the form of convertible preferred stock and common stock purchase warrants in FocusCore.
4. Through unsolicited telephone calls of individuals in a 5,000,000 unit Private Placement Offering in Focus Core, Upton and FocusCore sold at least \$110,000.00 worth of convertible preferred stock and common stock purchase warrants to investors.
5. The purported purpose of FocusCore was to provide server-based computing services for small to medium businesses as an application service provider. The estimated use of proceeds in the Private Placement Offering was to pay the expenses of the offering, to establish a data center, to fund software and hardware contracts and commence the marketing of their services. Any excess funds would be used for working capital.
6. These securities were offered or sold in this state in issuer transactions. 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.

