

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

TO: **Jeffrey Gordon Butler, a.k.a. Jeff G. Butler**
Holly Lynn Aven
Patriot, Inc.
Medifund Special Purpose Corporation, a.k.a.
Monarch Medical Funding
Genessee Capital, Inc.
Global Network Providers, Inc., a.k.a.
Global Network Providers (Grenada) Inc., d.b.a.
Global Network Providers Grenada
Onyx Capital Partners, LLC

28484 Via Mambrino
San Juan Capistrano, CA 92675

DESIST AND REFRAIN ORDER

(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times herein, Jeffrey Gordon Butler (“Butler”) was an officer and/or control person of Patriot, Inc. (“Patriot”), Medifund Special Purpose Corporation (“Medifund”), a.k.a. Monarch Medical Funding (“Monarch”), Genessee Capital, Inc. (“Genessee”), Global Network Providers, Inc. (“GNP”), a.k.a. Global Network Providers (Grenada) Inc., d.b.a. Global Network Providers Grenada (“GNPG”), and Onyx Capital Partners, LLC (“Onyx”).

2. At all relevant times herein, Holly Lynn Aven (“Aven”) assisted Butler in the solicitation of investors for the above companies.

3. At all relevant times herein, Patriot was a California corporation. Patriot was incorporated on January 3, 1997, and located at 28484 Via Mambrino, San Juan Capistrano, California 92675.

4. At all relevant times herein, Medifund was a Nevada corporation. Medifund was incorporated on August 11, 1997, with a registered office of 251 Jeanell Drive, Carson City, Nevada 89703. Medifund then switched its name to Monarch on or about April 4, 2000.

5. At all relevant times herein, Genessee was a Nevada corporation. Genessee was

1 incorporated on March 2, 2000, with a registered office of 251 Jeanell Drive, Carson City, Nevada
2 89703.

3 6. At all relevant times herein, GNP was a Nevada corporation. GNP was incorporated
4 on September 7, 2001, with a registered office of 251 Jeanell Drive, Carson City, Nevada 89703. At
5 all relevant times herein, GNPG was a Grenada corporation. GNPG was incorporated on January 20,
6 2000. Butler filed a fictitious business name in Orange County, California for GNPG on June 9,
7 2000, located at 28484 Via Mambrino, San Juan Capistrano, California 92675.

8 7. At all relevant times herein, Onyx was a Nevada corporation. Onyx was incorporated
9 on January 5, 2004, with a registered office of 251 Jeanell Drive, Carson City, Nevada 89703.

10 8. Beginning in around November 1998 and continuing through about July 2005, Butler
11 and Aven offered and sold securities in the form of promissory notes in the above companies in
12 excess of \$10 million. Butler obtained this investment money by soliciting over 100 unsophisticated
13 senior citizens and others, by offering 12% yearly interest, or payable 1% interest per month, on
14 promissory notes having a maturity date ranging from one to two years in various business ventures
15 where Butler was also the President, Chief Financial Officer or Managing Member.

16 9. The Medifund investment consisted of a 12% Note, which claimed to be asset backed,
17 with a two-year period of maturity with Butler as the President. Butler and Aven solicited over \$2
18 million from approximately 40 senior citizens and other investors into the Medifund investment
19 starting in November 1998 and continuing to at least January 2001, when Butler through Genessee
20 assumed the liability of the note from Medifund. This Genessee investment also consisted of a 12%
21 Promissory Note with a new two-year period of maturity with Butler as the President. This
22 investment supposedly involved discounted medical receivables but investors were not given specific
23 information or any offering materials describing the investment.

24 10. The GNP and GNPG investments consisted of a 12% Promissory Note-Series 2000-A
25 with a one-year period of maturity with Butler acting as President and Chief Financial Officer. Butler
26 and Aven solicited over \$8 million from at least 100 senior citizens and other investors starting in
27 June 2000 and continuing through November 2003. This investment involved an offshore
28

1 telecommunications company but investors were not given specific information or any offering
2 materials describing the investment.

3 11. The Onyx investment consisted of a Redeemable Note, Series 2004, paying 12% per
4 year with a one-year period of maturity with Butler as the Managing Member. Butler solicited over
5 \$2 million from at least 30 senior citizens and other investors starting in February 2004 and
6 continuing through July 2005. This investment supposedly involved foreign currency exchange but
7 investors were not given specific information or any offering materials describing this investment.

8 12. In connection with the offer and sale of these securities, Butler and Aven through
9 Patriot, Medifund, Genessee, GNP, GNPG and Onyx made, or caused to be made, misrepresentations
10 of material facts or omitted to state material facts necessary in order to make the statements made, in
11 the light of the circumstances under which they were made, not misleading. These
12 misrepresentations and omissions included, but are not limited to the following:

- 13 a. Investors were told that the investment would earn 12% per year;
- 14 b. Investors were not told that they were investing in a ponzi scheme and that any
15 interest received on their investment money came from other investor money and not from any
16 investment returns from Butler's business ventures;
- 17 c. Investors were not told that Butler and Aven were not licensed to solicit
18 investments;
- 19 d. Investors were not told that investor money would be used by Butler to pay his
20 personal expenses;

21 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
22 that the securities in the form of promissory notes offered and sold by Butler and Aven in Patriot,
23 Medifund, Genessee, GNP, GNPG and Onyx are securities subject to qualification under the
24 California Corporate Securities Law of 1968 and are being or have been offered or sold without being
25 qualified or exempt, in violation of Section 25110 of the Corporate Securities Law of 1968.

26 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Jeffrey Gordon Butler,
27 Holly Lynn Aven, Patriot Inc., Medifund Special Purpose Corporation, Genessee Capital, Inc.,
28 Global Network Providers, Inc., a.k.a. Global Network Providers (Grenada) Inc., d.b.a. Global

1 Network Providers Grenada, and Onyx Capital Partners, LLC are hereby ordered to desist and refrain
2 from the further offer or sale in the State of California of securities, including, but not limited to
3 promissory notes unless and until qualification has been made under said law or unless exempt.

4 Further, the California Corporations Commissioner is of the opinion that the securities offered
5 and sold by Butler and Aven in Patriot, Medifund, Genessee, GNP, GNPG and Onyx were offered
6 and sold in this state by means of written or oral communications that included untrue statements of
7 material fact or omitted to state material facts necessary in order to make the statements made, in the
8 light of the circumstances under which they were made, not misleading, in violation of section 25401
9 of the Corporate Securities Law of 1968.

10 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Jeffrey Gordon Butler,
11 Holly Lynn Aven, Patriot Inc., Medifund Special Purpose Corporation, Genessee Capital, Inc.,
12 Global Network Providers, Inc., a.k.a. Global Network Providers (Grenada) Inc., d.b.a. Global
13 Network Providers Grenada, and Onyx Capital Partners, LLC are hereby ordered to desist and refrain
14 from offering or selling or buying or offering to buy any security in the State of California, including,
15 but not limited to, promissory notes by means of any written or oral communication which includes
16 an untrue statement of a material fact or omits to state a material fact necessary in order to make the
17 statements made, in the light of the circumstances under which they were made, not misleading.

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

20 Dated: June 15, 2006
21 Los Angeles, California

22 PRESTON DuFAUCHARD
23 California Corporations Commissioner

24 By _____
25 ALAN S. WEINGER
26 Supervising Counsel
27 Enforcement Division
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