

1 STATE OF CALIFORNIA
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
3 DEPARTMENT OF BUSINESS OVERSIGHT

4 TO: Club Tuki, LLC
5 BYOU, LLC
6 Children’s Educational Network, Inc.
7 Children’s Edutainment Network, Inc.
8 Gregory D. Writer, Jr.
9 Edward L. Bracken

10 201 East Grand Avenue, Suite 2A
11 Escondido, California 92025

12 and

13 1835A S. Centre City Pkwy., # 418
14 Escondido California 92025

15 and

16 283 S. Escondido Blvd.
17 Escondido, California 92025

18 **DESIST AND REFRAIN ORDER**

19 **(For violations of section 25401 of the Corporations Code)**

20 The Commissioner of Business Oversight finds that:

21 1. At all relevant times, Club Tuki, LLC (“Club Tuki”) was a Nevada limited liability
22 company with its last known addresses at 201 East Grand Avenue, Suite 2A, Escondido, California
23 92025 and 1835A S. Centre City Pkwy., # 418, Escondido California 92025.

24 2. At all relevant times, BYOU, LLC (“BYOU”) was a Nevada limited liability company
25 with its last known addresses at 201 East Grand Avenue, Suite 2A, Escondido, California 92025 and
26 1835A S. Centre City Pkwy., # 418, Escondido California 92025.

27 3. At all relevant times, Children’s Educational Network, Inc. (“Children’s Educational”)
28 was a Nevada corporation with its last known addresses at 201 East Grand Avenue, Suite 2A,
Escondido, California 92025 and 283 S. Escondido Blvd., Escondido, California 92025. Club Tuki
and BYOU were formed as wholly owned subsidiaries of Children’s Educational Network.

4. At all relevant times, Children’s Edutainment Network, Inc. (“Children’s
Edutainment”) was a Delaware corporation with its last known address at 201 East Grand Avenue,

1 Suite 2A, Escondido, California 92025. Children’s Edutainment acquired all assets of Children’s
2 Educational, including Club Tuki and a majority interest in BYOU.

3 5. At all relevant times, Gregory D. Writer, Jr. (“Writer”) was a manager of Club Tuki,
4 President and Chief Executive Officer of Children’s Educational, an officer of Children’s
5 Edutainment, and a board member of BYOU.

6 6. At all relevant times, Edward L. Bracken (“Bracken”) purported to be an officer of
7 Children’s Edutainment, and an officer and a board member of Club Tuki.

8 7. Beginning at least as early as 2010 and continuing to a date unknown to the
9 Commissioner, Club Tuki, BYOU, Children’s Educational, Writer and Bracken offered or sold
10 securities in the form of notes and shares of stock in various entities.

11 8. In connection with the offer or sale of the securities, identified in paragraph 7 above,
12 Club Tuki, BYOU, Children’s Educational, Writer and Bracken, directly or indirectly, omitted to
13 state the following material facts necessary to make the statements made, in light of the
14 circumstances under which they were made, not misleading:

15 a. In November 1990, the State of Kansas Securities Commissioner revoked Writer’s
16 registration as an agent under the Kansas Securities Act.

17 b. In December 1990, Writer was censured, fined and barred from association with any
18 member of the National Association of Securities Dealers, the entity that later became the Financial
19 Industry Regulatory Authority (“FINRA”).

20 c. Bracken pled guilty and was convicted, in January 2000, of one count of conspiracy to
21 commit securities fraud and wire fraud. Bracken was sentenced to three years of probation and
22 ordered to pay restitution in the amount of \$35,752.15 by the United States District Court, District of
23 Nevada.

24 d. In November 2001, the U.S. Securities and Exchange Commission barred Bracken
25 from association with any broker or dealer as a result of his January 2000 conviction of conspiracy to
26 commit securities fraud and wire fraud.

27 e. Writer filed for Chapter 13 bankruptcy and Chapter 7 bankruptcy, in November 2009
28 and June 2010, respectively, in the United States Bankruptcy Court, Southern District of California.

1 f. In August 2010, Bracken filed for Chapter 7 bankruptcy in the United States
2 Bankruptcy Court, Southern District of California.

3 9. Beginning in or about July 2011, and continuing until a date unknown to the
4 Commissioner, Children’s Edutainment, Writer and Bracken offered or sold securities in the form of
5 shares of stock in Children’s Edutainment.

6 10. In connection with the offer or sale of the securities, identified in paragraph 9 above,
7 Children’s Edutainment, Writer and Bracken, directly or indirectly, omitted to state the following
8 material facts necessary to make the statements made, in light of the circumstances under which they
9 were made, not misleading:

10 a. Each of the material facts identified in paragraphs 8(a)-(d) and 8(f) above.

11 b. On July 5, 2011, the Texas State Securities Board issued a Cease and Desist Order
12 against Club Tuki, Children’s Educational, Writer and Bracken for offering and selling unregistered
13 securities and engaging in fraud in connection with the offer or sale of securities.

14 Based upon the foregoing findings, the Commissioner of Business Oversight is of the opinion
15 that the securities offered or sold by Club Tuki, LLC, BYOU, LLC, Children’s Educational Network,
16 Inc., Children’s Edutainment Network, Inc., Gregory D. Writer, Jr. and Edward L. Bracken were
17 offered or sold in this state by means of written or oral communications that contained untrue
18 statements of material facts or omitted to state material facts necessary in order to make the
19 statements made, in light of the circumstances under which they were made, not misleading, in
20 violation of Corporations Code section 25401.

21 Pursuant to Corporations Code section 25532, Club Tuki, LLC, BYOU, LLC, Children’s
22 Educational Network, Inc., Children’s Edutainment Network, Inc., Gregory D. Writer, Jr., Edward L.
23 Bracken, and those who act on their behalf, are hereby ordered to desist and refrain from offering and
24 selling securities in the state of California by means of any written or oral communication which
25 includes an untrue statement of material fact or omits to state a material fact necessary in order to
26 make the statements made, in the light of the circumstances under which they were made, not
27 misleading.

28 ///

