1	STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS	
2	SECURITIES DI	VISION
3	IN THE MATTER OF DETERMINING ) Ord	ler Number S-04-126-04-TO01
4	IN THE MATTER OF DETERMINING) OfWhether there has been a violation of the)Business Opportunity Fraud Act of)	ier Number S-04-120-04-1001
5	Washington by: ) SU	MMARY ORDER TO CEASE AND
6	Power Internet Terminals, Inc. aka M & N )	SIST AND DENYING REGISTRATION
7	Venture Capital Group, Frank Mineo, Crystal ) Nadel, Max Bacal, Chantelle "Charlee" )	
8	Langley, Tristan Garcia, their agents and employees	
9	Respondents	
9	Cr	wer Internet Terminals, Inc., Frank Mineo, ystal Nadel, Max Bacal, Chantelle harlee" Langley, and Tristan Garcia
11		nariee Langley, and Instan Garcia
12	STATEMENT OF CHARGES	
13	Please take notice that the Securities Adminis	trator of the State of Washington has reason
14	to believe that Respondents, Power Internet Termina	ls, Inc. aka M & N Venture Capital Group,
15	Frank Mineo, Crystal Nadel, Max Bacal, Chantelle "Charlee" Langley, Tristan Garcia, their	
16	agents and employees, have violated the Business Opportunity Fraud Act of Washington and that	
17	their violations justify the entry of an order of	the Securities Administrator under RCW
18	19.110.150 to cease and desist from such violations. T	The Securities Administrator finds that delay
19	in ordering the Respondents to cease and desist from	om such violations would be hazardous to
20	investors and to the public and that a Summary Or	der to Cease and Desist should be entered
21	immediately. The Securities Administrator finds as for	ollows:
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24	SUMMARY ORDER TO CEASE AND DESIST AND 1 DENYING REGISTRATION Power Internet Terminals, Inc.	DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

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### **TENTATIVE FINDINGS OF FACT**

#### I.

## PARTIES

Power Internet Terminals, Inc. aka M & N Venture Capital Group, ("PIT") is a
 Florida for profit corporation originally incorporated on October 2, 2002 as M & N Venture
 Capital Group, at 2015 NW 183<sup>rd</sup> Terrace, Hollywood, FL 33029. On January 6, 2004, M & N
 Venture Capital Group filed a "Change of Name" in Florida, changing the name of the
 corporation to PIT, at 2015 NW 183<sup>rd</sup> Terrace, Pembroke Pines, FL 33026.

9 2. PIT offers a business opportunity involving the placement of Public Access Internet
10 Terminal ("PAIT") kiosks in malls, coffee shops, hotels, airports and other locations. The PAIT
11 kiosks provide consumers various services including pay telephone service, pre-paid cellular
12 calling cards and other accessory services such as advertising.

3. On Friday, May 7, 2004, PIT filed an application to register its business opportunity
with the Division. Such application has been pending to the date of this Order. The application
failed to mention offers and/or sales made to Washington residents prior to the application for
registration.

17 4. Frank Mineo ("Mineo") is President, CEO and Director of PIT and has served as such at all times relevant to this action. On March 28, 2003, the Oregon Division of Finance and 18 19 Corporate Securities served a Cease & Desist Order, in the matter of Success Concept 20 Enterprises, Inc D/B/A/ Success POS; AmeriPOS D/B/A WBCI; David Tarr; David Ross; 21 Brandon Clarey and Frank Mineo for violations of the Oregon Securities Act. 5. Crystal Nadel ("Nadel") is Vice-President of PIT and has served as such at all time 22 23 relevant to this action. DEPARTMENT OF FINANCIAL INSTITUTIONS SUMMARY ORDER TO CEASE AND DESIST AND 2 24 Securities Division DENYING REGISTRATION PO Box 9033 Power Internet Terminals, Inc. Olympia, WA 98507-9033 360-902-8760

1	6. Max Bacal ("Bacal") is a Territory Director for PIT and has served as such at all	
2	times relevant to this action.	
3	7. Chantelle "Charlee" Langley ("Langley") and Tristan Garcia ("Garcia") are	
4	telemarketers for PIT and have served as such at all times relevant to this action.	
5	П.	
6	NATURE OF THE OFFERING	
7	8. Between April 12, 2004 and May 12, 2004, at least three Washington residents	
8	contacted PIT about its Internet kiosk business opportunity by calling the company's toll-free	
9	telephone number, (866) 711-7575. The three residents obtained copies of the PIT business	
10	opportunity offering circular and each spoke to different sales representatives for PIT. One spoke	
11	to Mineo, one spoke to Garcia and one spoke to Langley and Bacal.	
12	9. On April 12, 2004, a Washington resident, HB, saw an Internet kiosk at a local coffee	
13	shop. He found a label on the machine and called the toll-free number. When HB called the	
14	number, a sales representative named Manny Alexio of Global Internet Terminals ("GIT")	
15	answered. Alexio told HB that GIT no longer offered business opportunities and referred him to	
16	Frank Mineo, a former Vice-President at GIT. When HB called Mineo at (866) 711-7575,	
17	Mineo told him that GIT had changed its name to PIT and that he had become President after the	
18	name change.	
19	10. On April 27, 2004, a second Washington resident, DJ, called PIT after seeing a	
20	commercial on a Seattle TV station that promoted a business opportunity involving the	
21	placement of PAIT kiosks in malls, hotels and other high traffic areas.	
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24	SUMMARY ORDER TO CEASE AND DESIST AND       3       DEPARTMENT OF FINANCIAL INSTITUTIONS         DENYING REGISTRATION       Securities Division       PO Box 9033         Power Internet Terminals, Inc.       Olympia, WA 98507-9033       360-902-8760	

11. On May 12, 2004, a third resident, AP, discovered an advertisement on the Internet for a business opportunity involving the placement of PAIT kiosks in malls, airports, and hotels and called PIT to obtain information about the business opportunity.

12. The sales representatives Langley and Garcia each described the business to the
residents as privately owned Public Access Internet Terminal ("PAIT") kiosks. The kiosks sold
for about \$15,000, including shipping costs, and came with a full 5-year warranty. The kiosks
could be purchased in single units, a package of five for \$55,000 or a package of ten for
\$125,000. The purchase price also included locating services to be provided by locators
suggested by PIT.

10 13. The sales representatives each told the residents that the business opportunity would 11 produce up to \$32,000 a year or more based on the following formula: 35 people using the kiosk 12 per day, for 10 minutes, at 25 cents per minute of use. The sales representatives each told the 13 residents that further income could be generated by selling advertising for \$200 per month, the sale of point-of-purchase add-ons like phone cards, and pay telephone calls. According to the 14 15 sales representatives, the kiosk worked on Wi-Fi technology and was "state-of-the-art" computer 16 systems. The sales representatives told the residents that monthly business costs would be less 17 than \$200.

18 14. The residents all ordered and received the offering circular provided by PIT and all
19 three had to pay \$15 "shipping" fees to receive the documents. Included in the package of
20 materials was the offering circular, a confirmation letter for a callback appointment and various
21 promotional materials.

15. One resident purchased a kiosk. On May 4, 2004, HB sent a personal check for
 \$10,000 to PIT in FedEx envelope provided by PIT. The check was written on HB's personal
 SUMMARY ORDER TO CEASE AND DESIST AND 4
 DENYING REGISTRATION
 Power Internet Terminals, Inc.

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1	account at Bank of America. The funds were from a small insurance settlement HB had recent	
2	received. The Purchase Agreement HB signed stated that he would receive his kiosk within 45	
3	days, but he had not received his kiosk as of August 25, 2004, and has not been contacted by a	
4	locator.	
5	III.	
6	MISREPRESENTATIONS AND OMISSIONS	
7	16. The disclosure document sent to a Resident describes PIT as being a "business	
8	opportunity seller" and notes that "an addendum may be included immediately before or after the	
9	FTC cover page" if the potential investor resides in a business opportunity state.	
10	17. The disclosure document provides a biography for its officers, Mineo and Nadel, and	
11	states the following: "Neither the seller nor any other person listed in item 2 above is subject to	
12	any currently effective state or federal agency or court injunctive or restrictive order." The	
13	disclosure document fails to inform investors of the currently effective Cease and Desist order	
14	issued by the State of Oregon against Mineo.	
15	18. The disclosure document did not contain audited or unaudited financial information	
16	for PIT.	
17	19. Respondents failed to provide a reasonable basis for the oral representations of	
18	possible annual earnings.	
19	20. Respondents represented the PAIT kiosks are Wi-Fi (wireless internet) technology,	
20	but the disclosure document describes the PAIT kiosks as operating on DSL and/or cable	
21	broadband connections.	
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24	SUMMARY ORDER TO CEASE AND DESIST AND       5       DEPARTMENT OF FINANCIAL INSTITUTIONS         DENYING REGISTRATION       6       PO Box 9033         Power Internet Terminals, Inc.       0       0         360-902-8760       360-902-8760	

1	21. Respondents orally told investors that the PAIT kiosks come with a "5-year bumper-	
2	to-bumper warranty" yet the Purchase Agreement included in the disclosure document states that	
3	only the monitor and keyboard have a limited 5-year warranty.	
4	IV.	
5	REGISTRATION STATUS	
6	22. Respondents applied for registration as a business opportunity with the Division on	
7	May 7, 2004, but have not been granted registration as a business opportunity seller in	
8	Washington.	
9	V.	
10	EMERGENCY	
11	The Securities Administrator finds that the continued offering of business opportunities	
12	in the manner described in the Tentative Findings of Fact outlined above presents a threat to the	
13	investing public. An emergency exists, in that further sales of business opportunities described	
14	above would be hazardous to investors and the public of the state of Washington.	
15		
16	Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:	
17	CONCLUSIONS OF LAW	
18	I.	
19	The offer or sale of Respondents' PAIT kiosks described above constitutes the offer or	
20	sale of a business opportunity as defined in RCW 19.110.020.	
21	II.	
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24	SUMMARY ORDER TO CEASE AND DESIST AND6DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760	

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The offer or sale of said business opportunities is in violation of RCW 19.110.050 because no registration was in effective at all times relevant to the offer and/or sale of said business opportunity as described above.

## III.

The offer or sale of said business opportunities was made in violation of RCW 19.110.070 and/or RCW 19.110.120 because Respondents made material misrepresentations and/or omissions of material facts in the offer and/or sale of the business opportunity; including, but not limited to:

A. Respondents' disclosure document failed to disclose the existence of the State of Oregon Cease & Desist Order against Frank Mineo described in the Tentative Findings of Fact, Paragraph 4.

B. Respondents failed to provide financial statements of any kind in the disclosure document as described in Tentative Findings of Fact, Paragraph 18.

C. Respondents failed to provide offerees with written substantiation of earnings claims made in connection with the offer of its business opportunity as described in Tentative Findings of Fact, Paragraphs 13 and 19.

D. Respondents' sales agents made false or inconsistent statements about the business opportunity contrary to representations made in the disclosure document, as described in Tentative Findings of Fact, Paragraphs 20 - 22.

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The Securities Administrator finds that an emergency exists, that the continued violations of RCW 19.110.050, 19.110.070 and RCW 19.110.120 constitute a threat to the investing public, DEPARTMENT OF FINANCIAL INSTITUTIONS 7 SUMMARY ORDER TO CEASE AND DESIST AND Securities Division DENYING REGISTRATION Power Internet Terminals, Inc.

IV.

#### PO Box 9033 Olympia, WA 98507-9033 360-902-8760

and that a summary order to cease and desist from those violations is in the public interest and 1 2 necessary for the protection of the investing public

# **SUMMARY ORDER**

Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Power Internet Terminals, Inc. aka M & N Venture Capital Group, Frank Mineo, Crystal Nadel, Max Bacal, Chantelle "Charlee" Langley, Tristan Garcia, their agents and employees each shall cease and desist from offering or selling business opportunities in any 10 manner in violation of RCW 19.110.050, the section of the Business Opportunity Fraud Act of Washington requiring registration.

It is further SUMMARILY ORDERED that respondents, Power Internet Terminals, Inc. aka M & N Venture Capital Group, Frank Mineo, Crystal Nadel, Max Bacal, Chantelle "Charlee" Langley, Tristan Garcia, their agents, and employees each shall cease and desist from violation of RCW 19.110.070, the disclosure document section of the Business Opportunity Fraud Act of Washington.

17 It is further SUMMARILY ORDERED that respondents, Power Internet Terminals, Inc. aka M & N Venture Capital Group, Frank Mineo, Crystal Nadel, Max Bacal, Chantelle 18 19 "Charlee" Langley, Tristan Garcia, their agents, and employees each shall cease and desist from 20 violation of RCW 19.110.120, the anti-fraud section of the Business Opportunity Fraud Act of 21 Washington.

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It is further ORDERED that the business opportunity registration application PIT filed on

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23 May 7, 2004 is hereby denied.

SUMMARY ORDER TO CEASE AND DESIST AND DENYING REGISTRATION Power Internet Terminals, Inc.

1	AUTHORITY AND PROCEDURE
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3	This Order is entered pursuant to the provisions of RCW 19.110.150 and is subject to the
4	provisions of RCW 34.05. The Respondents, Power Internet Terminals, Inc., Frank Mineo,
5	Crystal Nadel, Max Bacal, Chantelle "Charlee" Langley, Tristan Garcia may each make a written
-	request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
6	OPPORTUNITY FOR HEARING accompanying this order.
7	If a respondent does not request a hearing, the Securities Administrator intends to adopt
8	the above Tentative Findings of Fact and Conclusions of Law as final and make the summary
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10	order to cease and desist permanent as to that respondent and in the case of Respondent PIT, the
11	Order denying the application for the registration of the PIT business opportunity shall be made
12	final.
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14	WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.
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18	Dated this 13th day of September, 2004
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20	Michael E. Stevenson
21	Securities Administrator
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24	SUMMARY ORDER TO CEASE AND DESIST AND9DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

Approved by: 4

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Martin Condell

MARTIN CORDELL Chief of Enforcement

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Securities Investigator 12 13 14 15 16 17 18 19 20 21 22 23 SUMMARY ORDER TO CEASE AND DESIST AND DEPARTMENT OF FINANCIAL INSTITUTIONS 1 24 Securities Division DENYING REGISTRATION PO Box 9033 Power Internet Terminals, Inc. 0 Olympia, WA 98507-9033 360-902-8760