

State of Missouri  
Office of Secretary of State

Case No. AP-06-33

IN THE MATTER OF:

EDWARD CONNER; DAVID J. REISNER;  
PERFORMANCE FINANCIAL SERVICES, INC.;  
NETWORK SERVICES, INC. aka  
NETWORK SERVICES DEPOT, INC. aka  
NETWORK SERVICES DISTRIBUTION, INC.;  
and 360 WIRELESS, INC.,

*Respondents.*

Serve:

Edward Conner at:  
26 Falling Leaf Drive  
Lake Saint Louis, Missouri 63367-6432

Performance Financial Services, Inc. and  
David J. Reisner at:  
3610 Shady Bend Drive  
Independence, Missouri 64052

Network Services, Inc., at:  
3000 E. Birch Street, Suite 105  
Brea, California 92821

360 Wireless, Inc., at:  
1370 West San Marcos Boulevard, #100  
San Marcos, California 92069

**ORDER TO CEASE AND DESIST AND ORDER TO SHOW CAUSE WHY CIVIL  
PENALTIES AND COSTS SHOULD BE IMPOSED**

On September 12, 2006, the Enforcement Section of the Securities Division of the Office of Secretary of State, through its Assistant Commissioner of Securities, Mary S. Hosmer submitted a Petition for Order to Cease and Desist and Other Administrative Remedies. After reviewing the petition, the Commissioner issues the following findings of fact, conclusions of law and order:

**I. FINDINGS OF FACT**

**A. Respondents and other Related Parties**

1. Respondent Performance Financial Services, Inc. ("Performance") was a Missouri corporation with an address at 3610 Shady Bend Drive, Independence, Missouri 64052. Performance was incorporated in the State of Missouri on or about November 13, 2003, and was administratively dissolved as of July 1, 2005.
2. Respondent Edward Conner ("Conner") has an address at 26 Falling Leaf Drive, Lake Saint Louis, Missouri 63367-6432. At all times pertinent hereto, Conner acted as an agent for Performance. From June 1994 through October 7, 2002, Conner was licensed in Missouri to sell insurance.
3. Respondent David J. Reisner ("Reisner") has an address at 3610 Shady Bend Drive, Independence, Missouri 64052. Reisner at all times pertinent hereto was a director of Performance and served as its registered agent. From November 1979 through February 13, 2000, Reisner was licensed in Missouri to sell insurance.
4. Respondent Network Services, Inc. aka Network Services Depot, Inc. aka Network Services Distribution, Inc. ("NSD"), purported to be a California corporation with an address at 3000 E. Birch Street, Suite 105, Brea, California 92821. NSD purported to be engaged in the business of selling equipment, such as jukeboxes and Internet access terminals, and site leases to the general public.
5. Respondent 360 Wireless, Inc. ("360") purported to be a California corporation with an address of 1370 West San Marcos Boulevard, #100, San Marcos, California 92069. 360 purported to be in the business of servicing and managing the equipment sold by NSD.

6. Arrowhead Trust, Inc. (“Arrowhead”) purported to be a California corporation with an address at 550 E. Hospitality Lane, San Bernardino, California 92408.
7. As used in this Petition, the term “Respondents” refers to Performance, Conner, Reisner, NSD and 360.

### **Background**

8. In 1996, Trinity Financial Group<sup>[1]</sup> (“Trinity”) employed Conner and Reisner to sell investments. During 2000, Trinity, Conner and Reisner sold customer-owned, coin-operated payphone equipment/management contracts (“COCOTS”) in Phoenix Telecom, LLC (“Phoenix”).<sup>[2]</sup> The known losses to Missouri residents resulting from this offering totaled more than \$750,000. The program was also offered in Illinois by Reisner.
9. On August 14, 2000, the Illinois Secretary of State, Securities Division, issued a Temporary Order of Prohibition against Reisner for offering and selling securities through Trinity Financial Group, LLC. *In the matter of Dave Reisner*, Order Number 0000401, August 14, 2000 (IL Sec. Dept.). Reisner was prohibited from offering or selling securities in the state of Illinois.
10. In 2002, the Missouri Securities Division and the Missouri Department of Insurance issued an alert to all Missouri insurance agents regarding the sale of products other than insurance.<sup>[3]</sup> This alert, among other things, stated that there were many companies that were marketing unregistered securities products through insurance agents. This alert further stated:

“Insurance licensees should not rely on any representation that the investment product is not a security. These representations are often incorrect. Should the representations prove to be incorrect, reliance on them would not excuse the individual from liability under the securities or insurance laws.”
11. On September 19, 2003, the Missouri Commissioner of Securities issued a Cease and Desist Order against Conner and Trinity for offering or selling the Phoenix Telecom COCOTs through Trinity. *In the matter of Trinity Financial Group, LLC, et al*, Order Number 03-015, September 19, 2003 (Mo. Div. Securities). In the September 19, 2003 Order, Conner was ordered to cease:
  - a. violating Section 409.201(b), RSMo 2000, by transacting business as an unregistered agent;
  - b. violating Section 409.301, RSMo 2000, by offering or selling any security that is not registered exempt or federally covered; and
  - c. violating Section 409.101(2), RSMo 2000, in connection with the offer or sale of securities in or from the state of Missouri:
    - i. by omitting to state that Conner was not registered to sell securities in the state of Missouri; and
    - ii. by omitting to state that the securities offered and sold were not registered in the state of Missouri.
12. In November 2003, Reisner organized Performance. Under Performance, Conner and Reisner continued to offer and sell equipment/lease-back investments.

### **NSD and 360**

13. On or about September 25, 2002, the Missouri Securities Division received information that indicated that NSD was soliciting Missouri insurance agents to act as third party agents for the purpose of offering and selling customer-owned Internet access kiosks (“kiosks”) with management agreements to Missouri residents. 360 would act as the managing agent for the equipment.
14. The kiosk management program offered by NSD and 360 was deemed to be an investment contract and a cease and desist order was issued. *In the matter of Network Services Depot, Inc. and 360 Wireless, Inc., et al*. Order No. CD-02-30, July 29, 2003 (Mo. Div. Securities). In the July 29, 2003, order, NSD and 360 were ordered to cease:
  - a. violating Section 409.301, RSMo 2000, by offering or selling customer-owned Internet access kiosk leaseback contracts;
  - b. violating Section 409.301, RSMo 2000, by offering or selling any other security without registration or an effective exemption from registration; and
  - c. violating Section 409.201(b), RSMo 2000, by employing an unregistered agent.

### **Present Offering**

15. Sometime prior to August 1, 2003, Conner met with a 62-year-old Missouri resident (“MR”), who was retiring and wanted someone to help manage her retirement funds. MR met Conner through a co-worker. The co-worker told MR that Conner was a financial planner. Conner presented MR with a business card indicating that Conner was in the “Midwest Region” of

Performance.

16. During this meeting, MR told Conner that MR wanted to put MR's retirement money into a mutual fund or another product that would earn interest while allowing MR to receive some monthly income. Conner had MR sign a "Direct Rollover Request" form authorizing the rollover from MR's individual retirement account ("IRA") with Fidelity Investments to Arrowhead. Conner submitted the signed form to Fidelity Investments.
17. On October 31, 2003, Arrowhead acknowledged receipt of MR's funds from her IRA in the amount of one hundred thirty five thousand one hundred and sixty-three dollars and forty-five cents (\$135,163.45) from Fidelity Investments.
18. In January 2004, Conner told MR that MR could earn \$1,000 per month of income in a program that "worked similar to a mutual fund." Conner told MR that MR was investing in a group of "Internet companies" and had MR sign documents to make this purchase. During the offer and sale of this investment to MR, Conner:
  - a. failed to provide any written materials on this program or investment to MR;
  - b. failed to provide MR with copies of the forms MR signed;
  - c. misrepresented to MR that MR had invested in mutual funds or in stock in "Internet companies;"
  - d. failed to tell MR where MR's money would be invested;
  - e. failed to tell MR that there were fees associated with the investment;
  - f. failed to inform MR about the Missouri Cease and Desist Order, Number 03-015, issued against Conner on September 19, 2003; and
  - g. failed to inform MR about the Missouri Cease and Desist Order, Number CD-02-30, issued against NSD and 360 on July 29, 2003.
19. By letter dated January 15, 2004, Arrowhead notified MR that "as per your direction we have disbursed your funds into the designated investment [and] purchased units of Network Services Distribution, Inc. Total Investment \$94,500." MR did not direct Arrowhead to make this purchase.
20. Arrowhead sent a similar letter dated January 20, 2004, advising MR that MR had "distributed" \$21,900 for the purchase of the NSD units. MR did not direct Arrowhead to make this distribution.
21. The 2004-year-end statement sent to MR by Arrowhead showed that MR had purchased 9 jukeboxes from NSD at \$10,500 per unit on January 13, 2004. Two additional jukeboxes were purchased on January 16, 2004, at \$10,950 per unit for a total of \$21,900.
22. According to the 2004-year-end statement, on or about July 30, 2004, all of the jukebox units purchased by MR totaling \$116,400 were written off as "worthless assets."
23. A check of the records maintained by the Missouri Commissioner of Securities confirmed no registration or granted exemption for the jukebox lease management program sold to MR in the State of Missouri.
24. On or about February 28, 2006, the Missouri Securities Division (the "Division") sent an inquiry to Conner and requested, among other things, a claim of exemption relied upon in offering or selling securities in the state of Missouri.
25. Conner responded to the Division's February 28 inquiry by letter dated March 23, 2006, stating, in part:

"I have no copy of an exemption from registration. I relied on [NSD] that this transaction was a purchase of Jukeboxes and the customer would personally own the equipment. ...[MR] completed [MR's] purchase with [NSD]. ...[MR] set up an account with Arrowhead Trust. ...I earned a referral fee of about \$8,000.00 from [NSD]. ...Marketing materials was [sic] provided by [NSD] and Performance Financial Services on a [sic] as needed basis....[NSD] sent me the original signed forms and agreements for [MR] which I then provided to [MR]....Client's records where [sic] kept on file at [NSD] and Performance Financial Services...."
26. With the March 23, 2006 letter, Conner submitted a copy of a Transmittal Memo from NSD to Conner dated February 2, 2004, stating that NSD was sending to Conner for distribution to MR:
  1. Thank you note to your client;
  2. Original Bill of Sale;
  3. Original Letters of Assignment with backups;
  4. Copy of the Jukebox Sales Agreement; and

5. Copy of the Jukebox Service Agreement.”
27. Conner failed to provide a copy of the Jukebox Service Agreement to the Division; but Conner did provide copies of items 1-4 listed in paragraph 27. MR stated that MR did not receive any of the information listed above.
28. The thank you note referred to in paragraph 27 above but which MR did not receive, stated: “our records indicate that 360 Wireless will be assisting you in the active management of your asset. We have forwarded all of the appropriate information to them and you should be receiving notification and/or correspondence from them accordingly.” (Emphasis added.)
29. On or about April 6, 2006, the Division sent an inquiry to Performance and Reisner requesting, among other things, any claim of exemption relied upon in making this offering.
30. Reisner responded to the Division’s April 16 letter by letter dated April 25, 2006. Reisner denied having any sales records or other information requested by the Division. Reisner stated, in part:
- “The sale that I recall was in late 2003 to [MR]...Ed Conner and [I]...have worked together in areas other than [NSD]. As before, all agent information was sent back to [NSD]...All client information i.e.: sales, contracts, etc. were sent directly to [NSD]. [NSD] dealt direct [sic] with the agents and clients. We did not retain any client information; our position was to provide support to the associates. As we discussed, I have always tried to do what is right and wished [sic] we had never crossed paths with [NSD] and their programs.
31. On or about July 7, 2006, MR spoke to an investigator with the Division and stated, among other things, that:
- at no time prior to receipt of the 2004 year-end statement were jukeboxes ever mentioned to MR;
  - MR never received any jukeboxes;
  - MR did not desire to own and/or operate a jukebox business;
  - MR had no training, knowledge or expertise that would allow MR to operate a jukebox business;
  - MR had attempted to contact Conner numerous times, but Conner had not returned MR’s calls; and
  - MR had not received any income from the investment.
32. Respondents were not registered to offer and/or sell securities in the state of Missouri.
33. The investments described herein are not federal covered securities.
34. In connection with the offer and sale of a jukebox lease management program in the State of Missouri, Respondents Conner, Performance and Reisner omitted to state:
- that MR’s funds were being used to purchase jukeboxes from NSD;
  - that the income promised to MR would come from the management of these jukeboxes;
  - that 360 would manage the jukeboxes;
  - the financial condition of NSD and 360;
  - background information on the directors, officers or other persons having similar status or performing similar functions for NSD and 360, including but not limited to, their:
    - names,
    - addresses,
    - principal occupation for the previous five years,
    - ownership or interest held by each person,
    - remuneration for the previous twelve months and estimated remuneration for the next twelve months, directly or indirectly;
  - the risks involved with the investment;
  - that Conner was the subject of a Missouri Cease and Desist Order;
  - that Conner was being paid a referral fee of \$8,000;
  - that NSD and 360 were the subjects of a Missouri Cease and Desist Order;

- j. that the jukebox lease management program was not registered for sale in Missouri; and
  - k. that none of the Respondents were registered to engage in the offer and/or sale of securities in Missouri.
35. In connection with the offer and sale of securities in the State of Missouri, Respondents NSD and 360 omitted to disclose that:
- a. NSD and 360 were the subjects of a Missouri Cease and Desist Order;
  - b. the jukeboxes and management agreements offered and sold were not registered for sale in Missouri; and
  - c. none of the Respondents were registered to engage in the offer and/or sale of securities in Missouri.
36. In connection with the offer, sale or purchase of the jukebox lease management program in the state of Missouri, Conner misrepresented to MR that:
- a. MR would receive \$1,000 per month income;
  - b. MR's funds would be invested in a program similar to a mutual fund; and
  - c. MR was investing in "Internet companies."
37. This Order is in the public interest.

## **II. APPLICABLE STATUTORY PROVISIONS**

38. Section 409.1-102(28)(D), RSMo. (Cum. Supp. 2005), includes an "investment contract" within the definition of a security. Pursuant to that statute, an investment contract includes an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor.
39. Section 409.3-301, RSMo. (Cum. Supp. 2005), provides that it is unlawful for any person to offer or sell any security in this state unless: (1) it is registered under this act; (2) the security or transaction is exempted under Section 409.402; or (3) it is a federal covered security.
40. Section 409.4-401(a), RSMo. (Cum. Supp. 2005), provides that it is unlawful for any person to transact business in this state as a broker-dealer or agent unless he is registered or exempt.
41. Section 409.4-402(d), RSMo. (Cum. Supp. 2005), provides that it is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered under subsection (a) or exempt from registration under subsection (b).
42. Section 409.5-501, RSMo. (Cum. Supp. 2005), provides that it is unlawful for a person, in connection with the offer, sale or purchase of any security, directly or indirectly: (1) to employ a device, scheme, or artifice to defraud; (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or (3) to engage in an act, practice or course of business that operates or would operate as a fraud or deceit upon another person.
43. Section 409.6-604(a), RSMo. (Cum. Supp. 2005), reads as follows:
- If the commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act . . . the commissioner may:
- (1) Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act . . . .
44. Section 409.6-604(d) RSMo. (Cum. Supp. 2005), reads as follows: "In a final order under subsection (c), the commissioner may impose a civil penalty up to one thousand dollars for a single violation or up to ten thousand dollars for more than one violation."
45. Section 409.6-604(e) RSMo. (Cum. Supp. 2005), reads as follows: "In a final order, the commissioner may charge the actual cost of an investigation or proceeding for a violation of this act . . . . These funds may be paid into the investor education and protection fund."

## **III. CONCLUSIONS OF LAW**

### **Respondents Committed Multiple Violations of Offering and/or Selling Nonexempt, Unregistered Securities**

46. The Commissioner incorporates by reference paragraphs 1 through 45 as though fully set forth herein.
47. The offer and sale of the jukebox lease management program as described above constitutes the offer and sale of a security as that term is defined in Section 409.1-102, RSMo. (Cum. Supp. 2005).
48. At all times relevant to this order, records maintained by the Missouri Commissioner of Securities contained no registration, granted exemption or notice filing indicating status as a "federal covered security" for the securities offered or sold by Respondents in Missouri.
49. NSD, 360, Performance, Reisner and Conner violated Section 409.3-301, RSMo. (Cum. Supp. 2005), when they offered and sold, or materially aided in the offer and sale of, securities in Missouri without the securities being (1) a federal-covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-202, or (3) registered under the Missouri Securities Act of 2003.

**Respondents Performance, Reisner, and Conner Committed Multiple Violations  
of Transacting Business in Missouri as Unregistered Agents**

50. The Commissioner incorporates by reference paragraphs 1 through 45 as though fully set forth herein.
51. At all times relevant to this Order, the records maintained by the Missouri Commissioner of Securities contained no registration or granted exemption for Performance, Reisner or Conner as broker-dealer or broker-dealer agents.
52. Performance, Reisner and Conner violated Section 409.4-401(a), RSMo. (Cum. Supp. 2005), when they unlawfully transacted business in this state as broker-dealers and were not registered under Sections 409.4-401 through 409.4-408, RSMo. (Cum. Supp. 2005).

**Respondents NSD and 360 Committed Multiple Violations of Employing Unregistered Agents**

53. The Commissioner incorporates by reference paragraphs 1 through 45 as though fully set forth herein.
54. At times relevant to this Order, NSD and 360 employed Performance, Conner and Reisner as broker-dealer agents in Missouri.
55. None of Performance, Conner or Reisner were registered as a broker-dealer agent or exempt from registration when employed as such agents by NSD and 360.
56. NSD and 360 violated Section 409.4-402(d), RSMo. (Cum. Supp. 2005), when they employed an unregistered agent to offer and sell securities in the State of Missouri.

**Respondents Committed Multiple Violations of Omitting to State Material Facts**

57. The Commissioner incorporates by reference paragraphs 1 through 45 as though fully set forth herein.
58. In connection with the offer and sale of securities in the State of Missouri, Respondents Performance, Reisner, and Conner omitted to state the following material facts:
  - a. that MR's funds were being used to purchase jukeboxes from NSD;
  - b. that the income promised to MR would come from the management of these jukeboxes;
  - c. that 360 would manage the jukeboxes;
  - d. the financial condition of NSD and 360;
  - e. background information on the directors, officers or other persons having similar status or performing similar functions for NSD and 360, including but not limited to, their:
    1. names,
    2. addresses,
    3. principal occupation for the previous five years,
    4. ownership or interest held by each person,
    5. remuneration for the previous twelve months and estimated remuneration for the next twelve months, directly or indirectly;
  - f. the risks involved with the investment;

- g. that Conner was the subject of a Missouri Cease and Desist Order;
  - h. that Conner was being paid a referral fee of \$8,000;
  - i. that NSD and 360 were the subjects of a Missouri Cease and Desist Order;
  - j. that the securities offered were not registered for sale in Missouri; or
  - k. that none of the Respondents were registered to engage in the offer and/or sale of securities in Missouri.
59. In connection with the offer, sale or purchase of a security in the state of Missouri, NSD and 360 omitted to disclose the following material facts:
- a. NSD and 360 were the subjects of a Missouri Cease and Desist Order;
  - b. the securities offered were not registered for sale in Missouri; and
  - c. none of the Respondents were registered to engage in the offer and/or sell of securities in Missouri.
60. Respondents violated Section 409.5-501, RSMo. (Cum. Supp. 2005), when they omitted to disclose, in connection with the offer or sale of a security, the material facts described in paragraphs 58 and 59, above.

**Respondent Conner Committed Multiple Violations of Making  
Untrue Statements of Material Fact**

61. The Commissioner incorporates by reference paragraphs 1 through 45 as though fully set forth herein.
62. In connection with the offer, sale or purchase of a security in or from the State of Missouri, Conner made the following untrue statements of material fact:
- a. MR would receive \$1,000 per month income, when in fact she did not;
  - b. MR's funds would be invested in a program similar to a mutual fund, when in fact such funds were not so invested; and
  - c. MR was investing in "Internet companies," when in fact she was not so investing.
63. Respondent Conner violated Section 409.5-501, RSMo (Cum. Supp. 2005), when he made the untrue statements of material fact described immediately above in connection with the offer or sale of a security in the State of Missouri.

**ORDER**

**NOW, THEREFORE**, it is hereby ordered that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this Order, are prohibited from:

- A. offering or selling securities, including investment contracts or any other securities as defined by Section 409.1-102(28), RSMo. (Cum. Supp. 2005), in the State of Missouri unless those securities are registered with the Securities Division of the Office of the Secretary of State in accordance with the provisions of Section 409.3-304;
- B. violating Sections 409.4-401 and 409.4-402, RSMo. (Cum. Supp. 2005), by unlawfully transacting business in this state as broker-dealers or agents while not properly registered;
- C. violating Sections 409.4-402(d), RSMo. (Cum. Supp. 2005), by employing an unregistered agent to offer and sell securities; and
- D. violating or materially aiding in any violation of Section 409.5-501, RSMo, (Cum. Supp. 2005), by making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2005), the Commissioner will determine whether to grant the Enforcement Division's petition for an imposition of a civil penalty of up to one thousand dollars for a single violation, or up to ten thousand dollars for more than one violation, against each Respondent, for violations of Section 409.3-301, RSMo. (Cum. Supp. 2005), in a final order, unless Respondents request a hearing and show cause why the penalty should not be imposed.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2005), the Commissioner will determine whether to grant the Enforcement Division's petition for an imposition of a civil penalty of up to ten thousand dollars against each of Respondent Performance, Respondent Reisner, and Respondent Conner, for multiple violations of Section 409.4-401(a), RSMo. (Cum. Supp. 2005), in a final order, unless Respondents request a hearing and show cause why the penalty should

not be imposed.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2005), the Commissioner will determine whether to grant the Enforcement Division's petition for an imposition of a civil penalty of up to ten thousand dollars against each Respondent NSD and Respondent 360 for multiple violations of Section 409.4-402(d), RSMo. (Cum. Supp. 2005), in a final order, unless Respondents request a hearing and show cause why the penalty should not be imposed.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2005), the Commissioner will determine whether to grant the Enforcement Division's petition for an imposition of a civil penalty of up to ten thousand dollars against each Respondent for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2005), in a final order, unless Respondents request a hearing and show cause why the penalty should not be imposed.

**IT IS FURTHER ORDERED** that as the Enforcement Section has petitioned for an award for costs of the investigation against Respondents in this proceeding, the Commissioner will issue a final order pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2005), awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondents request a hearing and show cause why an award should not be made.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 28th DAY OF SEPTEMBER, 2006

State of Missouri  
Office of Secretary of State

ROBIN CARNAHAN  
SECRETARY OF STATE

(Signed/Sealed)  
MATTHEW KITZI  
COMMISSIONER OF SECURITIES

Case No. AP-06-33

IN THE MATTER OF:

EDWARD CONNER; DAVID J. REISNER;  
PERFORMANCE FINANCIAL SERVICES, INC.;  
NETWORK SERVICES, INC. aka  
NETWORK SERVICES DEPOT, INC. aka  
NETWORK SERVICES DISTRIBUTION, INC.;  
and 360 WIRELESS, INC.,

*Respondents.*

Serve:

Edward Conner at:  
26 Falling Leaf Drive  
Lake Saint Louis, Missouri 63367-6432

Performance Financial Services, Inc. and  
David J. Reisner at:  
3610 Shady Bend Drive  
Independence, Missouri 64052

Network Services, Inc., at:  
3000 E. Birch Street, Suite 105  
Brea, California 92821

360 Wireless, Inc., at:  
1370 West San Marcos Boulevard, #100  
San Marcos, California 92069

**NOTICE**

**TO: Respondents and any unnamed representatives aggrieved by this Order:**

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to Section 409.6-604(b), RSMo (Cum. Supp. 2005), and 15 CSR 30-55.020.

A request for a hearing must be mailed or delivered, in writing, to:



**Matthew Kitz**  
**Commissioner of Securities**  
**Office of the Secretary of State**  
**Missouri State Information Center, Room 229**  
**600 West Main Street**  
**Jefferson City, Missouri, 65102**

**CERTIFICATE OF SERVICE**

I hereby certify that on this 28th day of September, 2006, a copy of the foregoing Notice, Order and Petition filed the above styled case was mailed by certified U.S. Mail, postage prepaid to Respondents at the above listed addresses.

Beth Perkins  
Administrative Aide

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[1] Trinity Financial Group, LLC, was a Missouri limited liability corporation with an address at 18600 East 37th Terrace, Suite 105, Independence, MO 64957. Trinity was in the business of offering investments in an equipment/lease-back program to Missouri investors.

[2] Phoenix was placed in receivership as the result of a suit filed by the U.S. Securities and Exchange Commission ("SEC") in U.S. District Court for the Northern District of Georgia in August 2000. The SEC referred to the offer as a massive fraudulent scheme in which Phoenix, through the use of insurance agents, raised more than \$74 million from more than 2,000, mostly elderly, investors.

[3] This alert is available at: <http://insurance.mo.gov/industry/producer/agtwarning.htm>