

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: Q-2 SYNERGY, INC.,)
a/k/a FREEDOM SYSTEMS)
INTERNATIONAL,)
ITS OFFICERS, DIRECTORS,)
EMPLOYEES, AGENTS, AFFILIATES,) File No. 0300668
SUCCESSORS AND ASSIGNS AND)
DUDLEY GEE)

ORDER TO CEASE AND DESIST

TO THE RESPONDENT: Q-2 Synergy, Inc.,
a/k/a Freedom Systems International
2954 N.W. Astor St.
Camas, WA 98607

Dudley Gee
2954 N.W. Astor St.
Camas, WA 98607

WHEREAS, a Summary Order to Cease and Desist was issued by the Secretary of State on September 17, 2003 ordering Q-2 Synergy, Inc., a/k/a Freedom Systems International, its officers, directors, employees, agents, affiliates, successors and assigns, including Dudley Gee, to cease and desist from offering and/or selling any business opportunity in the State of Illinois until further order of the Secretary of State.

WHEREAS, pursuant to Section 5-65(1) of the Business Opportunity Sales Law of 1995, [815 ILCS 602 5/1 et seq.] (the "Act"), the failure to request a hearing within thirty (30) days of the receipt of the Summary Order to Cease and Desist shall constitute a sufficient basis to make the Summary Order final.

WHEREAS, Q-2 Synergy, Inc., a/k/a Freedom Systems International, its officers, directors, employees, agents, affiliates, successors and assigns, including Dudley Gee, have failed to request a hearing on the matters contained in the Summary Order within thirty (30) days of receipt of said Summary Order and that they are hereby deemed to have admitted the facts alleged in the said Summary Order.

Order to Cease and Desist

-2-

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Summary Order as the Secretary of State's Final Findings of Fact as follows:

Count I (Section 5-25)

1. That the Respondent, Q-2 Synergy, a/k/a Freedom Systems International, is a purported business entity with a last known address of 2954 N.W. Astor St., Camas, Washington 98607;
2. That, at all times relevant, Respondent Dudley Gee was an officer, director, agent or employee of Q-2 Synergy, a/k/a Freedom Systems International.
3. That on or about July 18, 2002, Q-2 Synergy, a/k/a Freedom Systems International, by and through its officers, directors, employees, agents, affiliates, successors and assigns, including Dudley Gee, offered and/or sold to at least one (1) resident of the State of Illinois, an opportunity to purchase supplies, equipment or services purportedly sufficient to enable the Illinois resident to start a business through which the resident would purchase for \$15,000 and received assistance in setting up a Nevada Corporation, a web site, contracts for sales people, a full one day training, a training manual, as well as product processing and distribution, product flyers, product brochures and business cards, sufficient to start a business selling a financial education and credit repair service;
4. That Q-2 Synergy, a/k/a Freedom Systems International, by and through its officers, directors, employees, agents, affiliates, successors and assigns, including Dudley Gee, represented, directly or indirectly, to the Illinois resident that they would provide the Illinois resident with certain products, equipment and/or services enabling the Illinois resident to start a business following a required payment to Q-2 Synergy, a/k/a Freedom Systems International, of more than \$500.00;
5. That Q-2 Synergy, a/k/a Freedom Systems International, its officers, directors, employees, agents, affiliates, successors and assigns, including Dudley Gee, represented

Order to Cease and Desist

-3-

to the Illinois resident, either directly or indirectly, that they would provide a marketing plan;

6. That Section 5-5.10(a) of the Illinois Business Opportunity Sales Law of 1995, [815 ILCS 602 5-1 et seq.] (the "Act") provides, inter alia, that a business opportunity is a contract or agreement, between a seller and a purchaser, express or implied, orally or in writing, wherein it is agreed that the seller or a person recommended by the seller shall provide to the purchaser any product, equipment, supplies or services enabling the purchaser to start a business where the purchaser is required to make a payment to the seller of more than \$500.00 and the seller represents either directly or indirectly, that the seller, or a person recommended by the seller, will provide a marketing plan, provide or assist the purchaser in finding outlets or accounts for the purchaser's products or services, and/or guarantees that the purchaser will derive income from the business which exceeds the price paid to the seller;
7. That the above-referenced promotion, solicitation or offer constitutes an offer of a business opportunity as those terms are defined pursuant to Sections 5-5.10 and 5-5.20 of the Act;
8. That Section 5-25 of the Act provides, inter alia, that it is unlawful for any person to offer or sell any business opportunity in the State of Illinois unless that business opportunity is registered under the Act or is exempt from registration under Section 5-10 of the Act;
9. That at all times relevant, Q-2 Synergy, a/k/a Freedom Systems International, its officers, directors, employees, agents, affiliates, successors and assigns, including Dudley Gee, failed to obtain or file for registration of the above-referenced business opportunity prior to any offer or sale in the State of Illinois;
10. That Section 5-65 of the Act provided, inter alia, that if the Respondent to a Summary Order to Cease and Desist fails to request a hearing within time period specified, the cease and desist order will be permanent and the person named in the order will be deemed to have waived all rights to a hearing;

Order to Cease and Desist

-4-

Count II (Section 5-95)

- 1-7 Paragraphs 1 through 7 of Count I are re-alleged and incorporated as Paragraphs 1-7 of this Count II;
8. That on or about July 17, 2002, Respondent Q-2 Synergy, a/k/a Freedom Systems International, its officers, directors, employees, agents, affiliates, successors and assigns, including Dudley Gee, entered into a contract with at least one (1) Illinois resident which stated that in exchange for payment of \$15,000, Respondent would provide the following as part of the aforementioned business opportunity:
- a. a completely set up Nevada Corporation with corporate name chosen by the purchaser, including payment of all registration fees and a wall plaque;
 - b. a personalized web site;
 - c. a fifteen minute power point presentation;
 - d. contracts for all "sales people";
 - e. newspaper ads to search for "sales people";
 - f. one full day of training by respondent's president;
 - g. business cards, product flyers and brochures;
 - h. A guarantee that if the Illinois resident's small business center was not operating on a profitable basis after a period of ninety days, Respondent would aid the Illinois resident in re-selling the business;
9. That Section 5-95 of the Act provides, inter alia, that it is unlawful for any person, in connection with the offer or sale of any business opportunity in this State, directly or indirectly to employ any device, scheme or artifice to defraud, 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 to engage in any act, practice or course

Order to Cease and Desist

-5-

of business which operates or would operate as a fraud or deceit upon any person;

10. That at all times relevant, Q-2 Synergy, a/k/a Freedom Systems International, its officers, directors, employees, agents, affiliates, successors and assigns, including Dudley Gee, in connection with the offer or sale of the aforesaid business opportunity and upon receiving payment of \$15,000, failed to provide the aforementioned Illinois resident with the following:
 - a. a completely set up Nevada Corporation with corporate name chosen by the purchaser, including payment of all registration fees and a wall plaque;
 - b. a personalized web site;
 - c. a fifteen minute power point presentation;
 - d. contracts for all "sales people";
 - e. newspaper ads to search for "sales people";
 - f. one full day of training by respondent's president;
 - g. business cards, product flyers and brochures;
 - h. aid in re-selling the aforementioned small business center upon its failure to operate as a profitable basis after 90 days;
11. That Section 5-65 of the Act provided, inter alia, that if the Respondent to a Summary Order to Cease and Desist fails to request a hearing within time period specified, the cease and desist order will be permanent and the person named in the order will be deemed to have waived all rights to a hearing;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Summary Order as the Secretary of State's final Conclusions of Law as follows:

1. That, by virtue of the foregoing, Q-2 Synergy, Inc., a/k/a Freedom Systems International, by and through its officers, directors, employees, agents, affiliates,

Order to Cease and Desist

-6-

successor and assigns, including Dudley Gee, has violated Section 5-25 and Section 5-95 of the Act; and

2. That, by virtue of the foregoing, Q-2 Synergy, Inc., a/k/a Freedom Systems International, its officers, directors, employees, agents, affiliates, successors and assigns, including Dudley Gee, are subject, pursuant to Section 5-65 of the Act, to an Order to Cease and Desist from offering and/or selling business opportunities in the State of Illinois.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 5-65 of the Act, Q-2 Synergy, Inc., a/k/a Freedom Systems International, its officers, directors, employees, agents, affiliates, successors and assigns, including Dudley Gee, are to Cease and Desist from offering or selling business opportunities in the State of Illinois or to residents of the State of Illinois.

ENTERED: This 27th day of October, 2003.

 
JESSE WHITE
SECRETARY OF STATE
STATE OF ILLINOIS

Attorney for the Secretary of State:
Johan Schripsema
Illinois Securities Department
520 South Second Street, Suite 200
Springfield, Illinois 62701
Telephone: (217) 524-1688

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 5-115(a) of the Business Opportunity Law of 1995 [815 ILCS 602] (the "Act"). Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 3 felony.

Order to Cease and Desist

-7-

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.