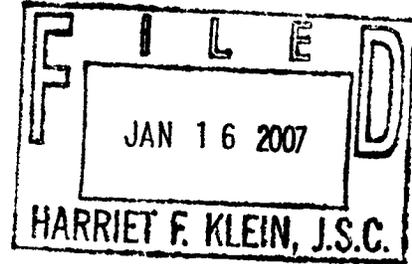


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Division of Law  
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Attorney for Plaintiffs



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SUPERIOR COURT OF NEW JERSEY  
CHANCERY DIVISION - GENERAL EQUITY  
ESSEX COUNTY  
DOCKET NO. ESX-C-421-02

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DAVID SAMSON  
ATTORNEY GENERAL OF NEW JERSEY:  
on behalf of FRANKLIN L.  
WIDMANN, CHIEF OF THE NEW  
JERSEY BUREAU OF SECURITIES,

Plaintiffs,

v.

PAUL F. JOYCE,  
RUDOLPH PIERRE,  
MICHAEL J. FLEYZOR,  
U.S. PAYTEL, INC.,  
U.S. PAYTEL ATLANTIC, LLC,  
U.S. PAYTEL DELTA, LLC,  
U.S. PAYTEL, LLC,  
U.S. PAYTEL OPTIMA, LLC,  
U.S. PAYTEL PREFERRED, LLC,  
U.S. PAYTEL PREMIER, LLC,  
U.S. PAYTEL SELECT, LLC and  
U.S. PAYTEL SOUTHERN, LLC,

Defendants.  
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Civil Action

CONSENT AND FINAL JUDGMENT  
AS TO DEFENDANT PAUL F. JOYCE  
INCLUDING PERMANENT INJUNCTIVE  
RELIEF, RESTITUTION AND  
CIVIL MONETARY PENALTIES

This matter having been presented to the Court by Stuart Rabner, Attorney General of New Jersey, attorney for Plaintiffs, (Deputy Attorney General Christopher W. Gerold appearing), on behalf of Franklin L. Widmann, Chief of the New Jersey Bureau of Securities ("Bureau"), and Defendant Paul F. Joyce ("Joyce")

(Sonnenblick, Parker & Selvers, P.C. by Jerome M. Selvers appearing); and Plaintiffs and Defendant having agreed to resolve any and all issues in controversy in this action with respect to the Defendant.

FINDINGS AND CONCLUSIONS OF LAW

The Court makes no findings of fact or conclusions of law with respect to the allegations set forth in the Complaint against Defendant Joyce. Solely for the purpose of settling this proceeding and without Defendant Joyce admitting or denying the findings contained below, the Bureau Chief makes the following findings of fact and conclusions of law against Joyce:

1. Joyce is a resident of the State of Florida.
2. Between on or about August 1985, and February 1989, Joyce was registered with the Bureau as an agent of four different broker dealer firms. Neither the records of the NASD nor the records of the Bureau list Joyce as being registered as a broker-dealer, registered representative, agent or investment adviser since February 1989.
3. Joyce was the President of U.S. Paytel, Inc. which maintains a headquarters office at 11000 Prosperity Farms Road, Palm Beach Gardens, Florida.
4. U.S. Paytel, Inc. was a corporation formed in Florida on September 3, 1996. It has been inactive since September, 2000.
5. On the day after it was formed, that is, September 4, 1996, U.S. Paytel, Inc. created the first of several entities with

"U.S. Paytel" as part of their names, by filing Articles of Organization with the Nevada Secretary of State.

6. Between September 4, 1996 and February 26, 1999, U.S. Paytel, Inc. organized at least 11 such "U.S. Paytel" entities by filing Articles of Organization with the Nevada Secretary of State. After each entity was formed, the defendants solicited investors to acquire membership interests in the new entity and then held an initial meeting wherein managing members were elected.

7. The interests in the U.S. Paytel entities were securities, as defined in N.J.S.A. 49:3-49(m) of the New Jersey Uniform Securities Law, N.J.S.A. 49:3-47, et seq. ("Uniform Securities Law")

8. As president of U.S. Paytel, Inc., Joyce was responsible for reviewing and approving subscription agreements for the "U.S. Paytel" entities and for issuing documentation confirming the sale of membership interests.

9. At least 23 New Jersey residents each invested between \$5,000 and \$30,000, totaling \$255,000, in 1 or more of the U.S. Paytel entities created by the defendants.

10. Each investor's subscription agreement was sent to Joyce by the investor, or forwarded to Joyce by U.S. Paytel's agents in New Jersey and other places.

11. Joyce accepted the subscription agreements on behalf of the U.S. Paytel entity and sent the investor a certificate representing the investment in the entity.

12. The membership interests in the U.S. Paytel entities were securities and were offered or sold to, from, or within New Jersey by said defendants and were not registered with the Bureau.

13. These securities were not registered with the Bureau as required by N.J.S.A. 49:3-60 or exempt from registration.

14. Each offer to sell and sale by the defendants of these unregistered securities was made in violation of N.J.S.A. 49:3-60 and constituted a separate violation of N.J.S.A. 49:3-60. Each violation was cause for the imposition of a civil monetary penalty pursuant to N.J.S.A. 49:3-70.1.

15. "Agent" is defined in N.J.S.A. 49:3-49(b) to include "any individual other than a broker-dealer, who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities." Agents are required by N.J.S.A. 49:3-56 to register with the Bureau, unless exempt from registration.

16. The U.S. Paytel entities named as defendants herein employed defendant Joyce as an agent to represent them in effecting or attempting to effect the sale of their investment contracts. The defendant Joyce acted as an agent, as defined in N.J.S.A. 49:3-49(b), of the U.S. Paytel entities in effecting or attempting to effect the sale of U.S. Paytel investment contracts.

17. Joyce was never registered with the Bureau as an agent of the U.S. Paytel entities and was not exempt from such registration. Defendant Joyce acted as an agent of the U.S. Paytel entities without being registered as an agent with the Bureau, in violation of N.J.S.A. 49:3-56(a).

18. Each instance of Defendant Joyce so acting constituted a separate violation of N.J.S.A. 49:3-56(a) and was cause for the imposition of a civil monetary penalty for each such violation pursuant to N.J.S.A. 49:3-70.1.

19. The employment by U.S. Paytel of Joyce as an agent constituted a violation of N.J.S.A. 49:3-56(h)

20. Defendants engaged in the acts and practices above.

21. Such acts and practices constitute violations of the Uniform Securities Law, N.J.S.A. 49:3-47, et seq.

The Court grants judgment by consent to Plaintiffs imposing civil monetary penalties, restitution and a permanent injunction against Defendant Joyce. Upon the consent of Defendant Joyce to entry of a judgment imposing civil monetary penalties, restitution and permanent injunctive relief and the Court having considered the foregoing along with all the prior proceedings herein and for good cause shown;

IT IS on this 16<sup>th</sup> day of January, 2007 ORDERED that:

**PERMANENT INJUNCTIVE RELIEF**

1. Defendant Joyce individually and by or through any corporation, business entity, agent, employee, partner, director, officer, attorney, stockholder, successor, and/or any other person who is directly or indirectly under his control or direction, including, but not limited to, such persons in active concert or participation with him, as receive actual notice of this Judgment, by personal service or otherwise, are hereby permanently restrained and enjoined from the issuance, sale, offer for sale, solicitation, purchase, offer to purchase, promotion, negotiation, advertisement

or distribution into, from, or within the State of New Jersey of any security as that term is defined in the Uniform Securities Law, without registration in the State of New Jersey, in violation of N.J.S.A. 49:3-60.

2. Defendant Joyce individually and by or through any corporation, business entity, agent, employee, partner, director, officer, attorney, stockholder, successor, and/or any other person who is directly or indirectly under his control or direction, including, but not limited to, such persons in active concert or participation with him, as receive actual notice of this Judgment, by personal service or otherwise, are hereby permanently restrained and enjoined from acting as unregistered broker-dealers in the State of New Jersey in violation of N.J.S.A. 49:3-56(a).

3. Defendant Joyce individually and by or through any corporation, business entity, agent, employee, partner, director, officer, attorney, stockholder, successor, and/or any other person who is directly or indirectly under his control or direction, including, but not limited to, such persons in active concert or participation with him, as receive actual notice of this Judgment, by personal service or otherwise, are hereby permanently restrained and enjoined from employing persons to act as unregistered agents in the State of New Jersey in violation of N.J.S.A. 49:3-56(h).

4. Defendant Joyce individually and by and through any corporation, business entity, agent, employee, partner, director, officer, attorney, stockholder, successor, and/or any other person who is directly or indirectly under his control or direction, including, but not limited to, such persons in active concert or

participation with him, as receive actual notice of this Judgment, by personal service or otherwise, are hereby permanently restrained and enjoined from acting as unregistered agents in the State of New Jersey in violation of N.J.S.A. 49:3-56(a).

5. Defendant Joyce individually and by and through any corporation, business entity, agent, employee, partner, director, officer, attorney, stockholder, successor, and/or any other person who is directly or indirectly under his control or direction, including, but not limited to, such persons in active concert or participation with him, as receive actual notice of this Judgment, by personal service or otherwise, are hereby permanently restrained and enjoined from the issuance, sale, offer for sale, solicitation, purchase, offer to purchase, promotion, negotiation, advertisement or distribution into, from, or within the State of New Jersey of any security, as that term is defined in the Uniform Securities Law, with such injunctive relief granted pursuant to N.J.S.A. 49:3-69(b).

5. Defendant Joyce individually and by or through any corporation, business entity, agent, employee, partner, director, officer, attorney, stockholder, successor, and/or any other person who is directly or indirectly under his control or direction, including, but not limited to, such persons in active concert or participation with him, as receive actual notice of this Judgment, by personal service or otherwise, are hereby permanently restrained and enjoined from any act or practice constituting a violation of any provision of the Uniform Securities Law or any rule or order thereunder and from doing any acts in furtherance thereof.

7. Any person with actual or constructive notice of this Judgment who knowingly aids, abets, counsels, commands, or instructs any person or entity to perform any act prohibited by this Judgment or otherwise to violate any provision of this Judgment are hereby and shall be subject to punishment for violation of this Judgment.

#### RESTITUTION

8. Defendant Joyce is hereby liable for restitution in the amount of Two Hundred Fifty Five Thousand (\$255,000.00) Dollars, minus the amount of money which Defendant Joyce can prove to the satisfaction of the New Jersey Bureau of Securities that he previously paid to a New Jersey investor in a "U.S. Paytel" entity as restitution, payable to the State of New Jersey Bureau of Securities pursuant to N.J.S.A. 49:3-69(a)(2).

#### CIVIL MONETARY PENALTIES

9. Defendant Joyce has been assessed civil monetary penalties in the amount of Twenty Five Thousand (\$25,000.00) Dollars by the New Jersey Bureau of Securities pursuant to N.J.S.A. 49:3-70.1. Such sum was paid by Defendant Joyce and is being held in escrow by the New Jersey Bureau of Securities until the entry of this Consent Judgment and Final Judgment.

#### FINAL JUDGMENT

10. As such, final judgment in the amount of Two Hundred Eighty Thousand (\$280,000.00) Dollars is entered against Defendant Joyce. Representing Two Hundred Fifty Five Thousand (\$255,000.00) Dollars for restitution, which will be reduced by any amount that

Defendant Joyce can prove to the satisfaction of the New Jersey Bureau of Securities has been previously paid to a New Jersey investor in a "U.S. Paytel" entity as restitution, plus Twenty Five Thousand (\$25,000.00) Dollars for civil monetary penalty, such sum was paid by Defendant Joyce and is being held in escrow by the New Jersey Bureau of Securities until the entry of this Consent and Final Judgment.

GENERAL PROVISIONS

10. Nothing in this Consent Judgment shall in any manner be construed to limit the rights of any persons who may have a claim against Defendant Joyce.

11. This Consent Judgment applies to and is binding upon Defendant Joyce.

12. The parties acknowledge that New Jersey law shall govern the terms and provisions of this Consent Judgment.

13. The parties represent that an authorized representative of each has signed this Consent Judgment with full knowledge, understanding and acceptance of its terms and that this person has done so with authority legally to bind the respective party.

14. This Consent Judgment constitutes the entire agreement between the parties with respect to its subject matter. Any addition, deletion or change to this Consent Judgment must be in writing and signed by all the parties to be bound and approved and signed by the Court.

15. This Consent Judgment is entered into by the parties as their own free, knowing and voluntary act and with full knowledge

and understanding of the obligations and duties imposed by this Consent Judgment.

16. The parties have negotiated, jointly drafted and fully reviewed the terms of this Consent Judgment.

17. This Consent Judgment shall be binding upon the parties and their successors.

18. Defendant Joyce acknowledges that he understands that he has an opportunity to be heard at a trial concerning the subject matter of this Consent Judgment but, nevertheless, expressly waives such right along with the right to take an appeal or collaterally attack this Consent Judgment.

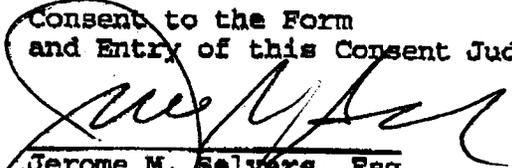
19. Defendant Joyce shall not represent or imply that any business practice or other act or practice hereinafter used or engaged in by him has been required or approved, in whole or part, by the Attorney General, the New Jersey Bureau of Securities, the State of New Jersey or any of the State's agencies, agents or subdivisions.

20. Unless otherwise prohibited by law, any signature by the parties required for entry of this Consent and Final Judgment may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Consent Judgment.

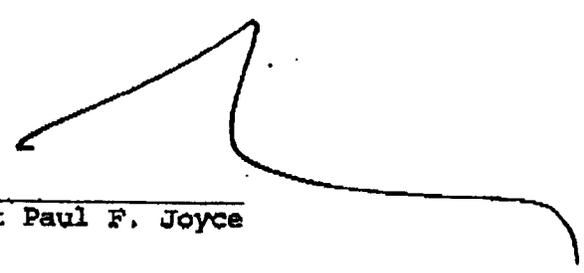
21. This Court retains full jurisdiction to enforce any and all of the provisions of this Consent Judgment.

  
\_\_\_\_\_  
J.S.C.

Consent to the Form  
and Entry of this Consent Judgment:

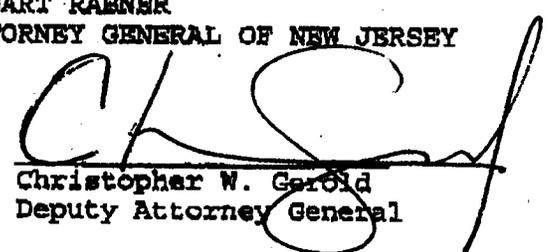
  
\_\_\_\_\_  
Jerome M. Selvers, Esq.  
Sonnenblick, Parker & Selvers, P.C.  
Attorneys for Defendant Paul F. Joyce

Dated:

  
\_\_\_\_\_  
Defendant Paul F. Joyce

Dated:

STUART RAENER  
ATTORNEY GENERAL OF NEW JERSEY

By:   
\_\_\_\_\_  
Christopher W. Gerold  
Deputy Attorney General

Dated:

1/8/07