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### Texas State Securities Board

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208 E 10th Street, 5th Floor  
Austin, Texas 78701-2407  
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EDWARD ESCUDERO  
MEMBER

IN THE MATTER OF  
BLUE LOTUS INTERNATIONAL, INC.;  
THE COMMERCE GUILD, INC.;  
PRIVATE FUNDING INTERNATIONAL, INC.;  
DALE HARELIK; MARI TIERNEY AKA  
MARIE TIERNEY AKA TIERNEY MARIE;  
AND NICHOLAS J. GUERARD

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**Order No. ENF-07-CDO-1641**

TO: Blue Lotus International, Inc.  
316 California Avenue #999  
Reno, Nevada 89509  
and

C/Dale Harelik  
2885 E. Quail Avenue  
Las Vegas, Nevada 89120

The Commerce Guild, Inc.  
316 California Avenue #999  
Reno, Nevada 89509  
and  
c/o Harelik Diversified Interests, Inc.  
2885 E. Quail Avenue, Suite 100  
Las Vegas, Nevada 89120

Private Funding International, Inc.  
14249 Manatee Circle  
Magalia, California 95954

Dale Harelik  
2885 E. Quail Avenue, Suite 800  
Las Vegas, Nevada 89120

Mari Tierney aka Marie Tierney  
aka Tierney Marie  
316 California Avenue #999  
Reno, Nevada 89509

Nicholas J. Guerard  
14249 Manatee Circle  
Magalia, California 95954

### EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("Securities Commissioner") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et sea. (Vernon 1964 & Supp. 2006) ("Texas Securities Act").

The Staff of the Enforcement Division ("the Staff") of the Texas State Securities Board ("the Securities Board") has presented evidence sufficient for the Securities Commissioner to find that:

#### FINDINGS OF FACT

1. Blue Lotus International, Inc. ("Respondent Blue Lotus") is a Nevada corporation that maintains last known addresses at 316 California Avenue #999, Reno, Nevada 89509 and c/o Dale Harelik, 2885 E. Quail Avenue, Las Vegas, Nevada 89120.
2. The Commerce Guild, Inc. ("Respondent TCG") is a Nevada corporation that maintains last known addresses at 316 California Avenue #999, Reno, Nevada 89509 and c/o Harelik Diversified Interests, Inc., 2885 E. Quail Avenue, Suite 100, Las Vegas, Nevada 89120.
3. Private Funding International, Inc. ("Respondent PFII") is a Nevada corporation that maintains a last known address at 14249 Manatee Circle, Magalia, California 95954.
4. Nicholas J. Guerard ("Respondent Guerard") is the purported President and CEO of Respondent PFII who maintains a last known address at 14249 Manatee Circle, Magalia, California 95954.
5. Mari Tierney aka Marie Tierney aka Tierney Marie ("Respondent Tierney") is the purported CEO and President of Respondent Blue Lotus and the purported CEO and Director of Respondent TCG who maintains a last known address at 316 California Avenue #999, Reno, Nevada 89509.
6. Dale Harelik ("Respondent Harelik") is the purported managing director, manager, and CFO of Respondent Blue Lotus and the purported CFO, President, and Treasurer of Respondent TCG who maintains a last known address at 2885 E. Quail Avenue, Suite 800, Las Vegas, Nevada 89120.
7. Respondents Blue Lotus, PFII, Harelik, Tierney, and Guerard are offering for sale, in Texas, convertible notes relating to the operation of what is known as the "TCG Money Loading Station" and/or "Kiosk Program." Pursuant to the terms of the convertible note, the investor is offered two options, known as Option A and B. Option A provides that, in exchange for \$100,000, the investor receives a Blue Lotus note paying 15% per annum return and providing for the investor to receive revenues from fifteen "TCG Money Loading Stations" for six months, projected to be \$45,000. Option B provides for the investor to receive revenues from the operation of fifteen TCG Money Loading Stations for five years, projected to be an estimated \$45,000 for the first year and \$126,000 per year for the following four years. The "TCG Money Loading Station" may generally be described as a machine placed in a retail establishment that can scan and cancel checks and, thereupon, credit a credit card account of the user. TCG stands for "The Commerce Guild, Inc.," a corporation purportedly owned by Respondent Blue Lotus.

8. The convertible notes have not been registered by qualification, notification or coordination and no permit has been granted for their sale in Texas.
9. Respondents have not been registered with the Securities Commissioner as dealers or agents at any time material hereto.
10. In connection with the offer for sale of the above-described convertible notes, Respondents Blue Lotus, Harelik, and Tierney are intentionally failing to disclose the material fact that Respondents Tierney and Harelik are defendants in a \$10 million lawsuit styled David Lear and Sandra L. Lear, Husband and Wife vs. Mari Tierney a/k/a Marie Tiernev, an individual; The Commerce Guild, Inc., a Nevada Corporation; Creative Marketing Solutions, Inc., a Nevada Corporation; Dale R. Harelik, an individual; Gary Lasater, an individual; Harelik Diversified Interests, Inc., a Nevada Corporation; Teletrade International, Inc., a Nevada Corporation; Does 1 through 10, inclusive; and Roe Corporations 1 through 10, inclusive, filed in the United States District Court, District of Nevada (Reno), Civil Docket #3:07-cv-00176-BES-VPC, alleging racketeering, securities fraud and other causes of action in connection with an investment program known as "TCG Business Suite."
11. In connection with the offer for sale of the above-described convertible notes, Respondents Blue Lotus and Harelik are intentionally failing to disclose the material fact that Respondent Harelik is a defendant in a lawsuit styled Microsoft Corporation v. Global Online Distribution, LLC and Dale Harelik, Case #2:07-cv-00420-RCJ-PAL, filed in or about April, 2007, alleging copyright infringement relating to the alleged unlawful importation of Microsoft Corporation software after receiving a cease and desist notice from Microsoft Corporation.
12. Respondents Tierney and Guerard represent that the above-described investment is secured by over \$200 million in assets. Respondent Tierney represents that such assets are in the possession of an affiliated enterprise called "The World Legacy Project." Respondent Guerard represents that Respondent Blue Lotus International, Inc. holds in excess of \$200 million in assets. Respondent Harelik represents that said assets are constituted by "millions" of dollars in art. Said representations are materially misleading in light of the fact that prospective investors are not provided with information relating to the contractual relationship between The World Legacy Project and Respondent Blue Lotus with respect to such assets, the nature and/or availability of such assets, the liabilities of The World Legacy Project or the actual assets and liabilities of Respondent Blue Lotus.
13. Respondent Tierney represents that Respondent TCG will also be offering notes similar to those described herein but with a shorter term for the accrual of revenues derived from the TCG Money Loading Stations.
14. Reasonable grounds exist to believe Respondents TCG, Harelik, and Tierney do not intend to disclose one or more of the above-described material facts in connection with the offer for sale of Respondent TCG's notes.

## CONCLUSIONS OF LAW

1. The above-described convertible notes are "securities" as that term is defined by Section 4.A of the Texas Securities Act.
2. Respondents Blue Lotus, PFII, Harelik, Tierney and Guerard are violating Section 7 of the Texas Securities Act by offering securities for sale in Texas at a time when the securities are not registered with the Securities Commissioner.
3. Respondents Blue Lotus, PFII, Harelik, Tierney and Guerard are violating Section 12 of the Texas Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Texas Securities Act.
4. Respondents Blue Lotus, Harelik, and Tierney are engaging in fraud in connection with the offer for sale of securities.
5. Respondents TCG, Harelik, and Tierney are about to engage in fraud in connection with the offer for sale of securities.
6. Respondents Blue Lotus, PFII, Harelik, Tierney and Guerard have made an offer containing a statement that is materially misleading or otherwise likely to deceive the public.
7. Respondents' conduct, acts, and practices threaten immediate and irreparable public harm.
8. The foregoing constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Texas Securities Act.

## ORDER

1. It is therefore ORDERED that Respondents Blue Lotus, PFII, Harelik, Tierney and Guerard immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED that Respondents Blue Lotus, PFII, Harelik, Tierney and Guerard immediately CEASE AND DESIST from acting as securities dealers or agents in Texas until Respondents Blue Lotus, PFII, Harelik, Tierney and Guerard are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.
3. It is further ORDERED that Respondents Blue Lotus, TCG, Harelik, and Tierney immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.

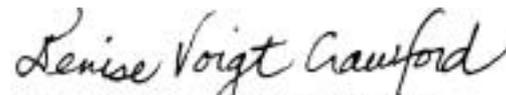
4. It is further ORDERED that Respondents Blue Lotus, PFII, Harelik, Tierney and Guerard immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Pursuant to Section 23-2 of the Texas Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Texas Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Texas Securities Act is a criminal offense punishable by a fine of not more than \$5,000, or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 10<sup>th</sup> day of October, 2007.

  
DENISE VOIGT CRAWFORD  
Securities Commissioner