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Texas State Securities Board

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IN THE MATTER OF §
CLUB TUKI, LLC, §
CHILDREN'S EDUCATIONAL NETWORK, INC. §
GREGORY D. WRITER, JR., §
AND EDWARD L. BRACKEN §

Order No. ENF-11-CD0-1704

TO: Club Tuki, LLC
201 E. Grand Ave., Suite 2A, Escondido, CA 92025,
1835A S. Centre City Pkwy, No. 418, Escondido, CA 92025, and
c/o Business Filings Incorporated, 311 S. Division Street, Carson City, NV 89703

Children's Educational Network, Inc.
201 E. Grand Ave., Suite 2A, Escondido, CA 92025,
1835A S. Centre City Pkwy, No. 418, Escondido, CA 92025, and
c/o Laughlin Associates, Inc., 2533 N. Carson Street, Carson City, NV 89706

Gregory D. Writer, Jr.
201 E. Grand Ave., Suite 2A, Escondido, CA 92025,
1835A S. Centre City Pkwy, No. 418, Escondido, CA 92025, and
2682 Auralie Drive, Escondido, CA 92025

Edward L. Bracken
201 E. Grand Ave., Suite 2A, Escondido, CA 92025,
1835A S. Centre City Pkwy, No. 418, Escondido, CA 92025, and
28383 Beija Flor, Valley Center, CA 92082

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 seq. (West 2010) (the "**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. Club Tuki, LLC ("**Respondent Club Tuki**") is a Nevada limited liability company that maintains last known addresses at 201 East Grand Avenue, Suite 2A, Escondido, California 92025 and 1835A S. Centre City Pkwy., No. 418, Escondido, California 92025. It can also be served with process through its Registered Agent, Business Filings Incorporated, at 311 S. Division Street, Carson City, Nevada 89703.
2. Children's Educational Network, Inc. ("**Respondent Children's Educational Network**") is the managing member of Respondent Club Tuki. It maintains last known addresses at 201 East Grand Avenue, Suite 2A, Escondido, California 92025 and 1835A S. Centre City Pkwy., No. 418, Escondido, California 92025. It can also be served with process through its Registered Agent, Laughlin Associates, Inc., at 2533 N. Carson Street, Carson City, Nevada 89706.
3. Gregory D. Writer, Jr. ("**Respondent Writer**") is the Chief Executive Officer and Founder of Respondent Children's Educational Network. He maintains last known addresses at 201 East Grand Avenue, Suite 2A, Escondido, California 92025, 1835A S. Centre City Pkwy., No. 418, Escondido, California 92025 and 2682 Auralie Drive, Escondido, California 92925.
4. Edward L. Bracken ("**Respondent Bracken**") is the Vice-President of Business Development for Respondent Children's Educational Network. He maintains last known addresses at 201 East Grand Avenue, Suite 2A, Escondido, California 92025, 1835A S. Centre City Pkwy., No. 418, Escondido, California 92025 and 28383 Beija Flor, Valley Center, California 92082.
5. Respondents Club Tuki, Children's Educational Network, Writer and Bracken (**collectively "Respondents"**) plan to create and develop an online community for children referred to as "Club Tuki" and "The Ultimate Kids Internet." They are claiming that this virtual community will include a website that can be accessed by children to play educational games, earn virtual currency, bid on products and services, watch movies and cartoons, and interact with other members through electronic mail. Respondents are also claiming that children who participate in the community will learn about Internet safety, money and finance, health and nutrition, self-esteem, and character and values.
6. Respondents are raising capital for this virtual community by offering Texas residents the opportunity to invest in Participating Convertible Preferred Promissory Notes issued by Respondent Club Tuki (**the "Promissory Notes"**).

The Promissory Notes purportedly cost \$10,000.00 and entitle investors to a return of principal, interest payments and revenue participation as follows:

- a. 10% interest on the one-year anniversary of investment,
 - b. 12% interest paid quarterly during the second year of investment,
 - c. 14% interest paid quarterly during the third year of investment,
 - d. 20% of the pro rata share of Respondent Club Tuki's net profits for each year during the three year term of investment, and
 - e. A return of principal and any unpaid interest three years after the date of the Promissory Note.
7. Potential investors are also being told that they may elect to convert their Promissory Notes into common stock issued by Respondent Children's Educational Network in lieu of receiving the return of their principal or payment of interest.
8. The Promissory Notes issued by Respondent Club Tuki 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 Promissory Notes, Respondents are intentionally failing to disclose one or more of the following material facts:
- a. On or about December 31, 1990, Respondent Writer was censured, fined \$200,000, and barred from association with any member of the National Association of Securities Dealers, the predecessor of the Financial Industry Regulatory Authority, in In the Matter of District Business Conduct Committee For District No. 3 vs. Tri-Bradley Investments, Inc., Member, et al., Complaint No. DEN-961,
 - b. On or about January 26, 2000, Respondent Bracken was convicted of one count of conspiracy to commit securities fraud and wire fraud and was placed on probation for a term of three years in United States of America vs. Edward Bracken, Cause No. CR-S-97-022-LDG(RLH), in the United States District Court, District of Nevada,
 - c. On or about November 20, 2001, Respondent Bracken was barred from association with any broker or dealer by the United States Securities and

Exchange Commission in In the Matter of Edward Bracken, Administrative Proceeding File No. 3-10603,

- d. On or about June 18, 2010, Respondent Writer filed for Chapter 7 bankruptcy in the United States Bankruptcy Court, Southern District of California, in Case No. 10-10644-LT7, and was discharged from bankruptcy on December 28, 2010, and
 - e. On or about August 18, 2010, Respondent Bracken filed for Chapter 7 bankruptcy in the United States Bankruptcy Court, Southern District of California, in Case No. 10-14650-LA7, and was discharged from bankruptcy on November 16, 2010.
11. Respondents are making offers containing statements that are materially misleading or otherwise likely to deceive the public by touting the business repute and qualifications of Respondents Writer and Bracken as follows:
- a. Respondents are representing that Respondent Writer "at the age of twenty-one (21), ...was the youngest owner and operator of a full service brokerage firm in the history of the United States" which is materially misleading or otherwise likely to deceive the public because Respondent Writer was barred from the industry in 1990.
 - b. Respondents are representing that Respondent Bracken served as the "Associate Vice President for a regional investment bank...and was the Associate Vice President for A.G. Edwards & Sons" which is materially misleading or otherwise likely to deceive the public because Respondent Bracken was barred from the industry in 2001 and placed on probation for the federal crime described herein.

CONCLUSIONS OF LAW

1. The Promissory Notes are "securities" as that term is defined by Section 4.A of the Texas Securities Act.
2. Respondents 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 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 are engaging in fraud in connection with the offer for sale of securities.

5. Respondents are making an offer containing statements that are materially misleading or otherwise likely to deceive the public.
6. Respondents' conduct, acts, and practices threaten immediate and irreparable public harm.
7. The foregoing violations 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 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 immediately CEASE AND DESIST from acting as securities dealers or agents in Texas until Respondents 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 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 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, the 5th day of July, 2011.


BENETTE L. ZIVLEY
Securities Commissioner

Respectfully submitted and recommended by:


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Texas State Securities Board
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