

1
2
3
4
5
6
7
8
9

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Securities Act of Washington by:

SDO - 102 - 01

ORBIT ENTERPRISES, INC. d/b/a THE
CYBERGOLF NETWORK; DAN MURNAN;
MICHAEL BURDETT; their agents and employees,

CONSENT ORDER AND ORDER VACATING
SDO-88-01 AS TO ORBIT ENTERPRISES, INC.
d/b/a THE CYBERGOLF NETWORK AND DAN
MURNAN

Respondents.

Case No. 01-04-162

10
11
12
13
14
15
16

THE STATE OF WASHINGTON TO: Orbit Enterprises, Inc.
d/b/a The Cybergolf Network
120 West Dayton Suite D-5
Edmonds, WA 98275

Dan Murnan
Orbit Enterprises, Inc.
d/b/a The Cybergolf Network
120 West Dayton Suite D-5
Edmonds, WA 98275

17
18
19
20
21
22
23

INTRODUCTION

The Securities Division, Department of Financial Institutions, State of Washington, and respondents Orbit Enterprises, Inc. and Dan Murnan do hereby agree to this Consent Order in settlement of the above captioned matter. Orbit Enterprises, Inc. and Dan Murnan neither admit nor deny the Securities Division's allegations and conclusions as set forth below.

24
25
26
27

CONSENT ORDER AND ORDER VACATING SDO-
88-01 AS TO ORBIT ENTERPRISES, INC. d/b/a THE
CYBERGOLF NETWORK AND DAN MURNAN

1

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

TENTATIVE FINDINGS OF FACT

I. Respondents

1
2
3 1. **ORBIT ENTERPRISES, INC.** (“Orbit Enterprises”) is a Washington corporation with a principal
4 business address of 120 West Dayton Suite D-5, Edmonds, WA 98275. Orbit Enterprises conducts business as
5 The Cybergolf Network. The company’s business purpose is to attract participants in the golf industry into e-
6 commerce and e-business through Internet websites that The Cybergolf Network controls, such as cybergolf.com
7 and golfconstructionnews.com.

8 2. **DAN MURNAN** (“Murnan”) was the President of Orbit Enterprises at all times relevant to the
9 matters set forth herein.

10 3. **MICHAEL BURDETT** (“Burdett”), CRD #1304377, acted as an agent for Orbit Enterprises
11 during the company’s investment offering after February 1, 2001. Orbit Enterprises and Dan Murnan agreed to
12 pay Burdett a commission based on the purchase price of shares paid by persons that Burdett was able to find to
13 invest in the company.

II. Nature of the Offering

14 4. From approximately December of 1999 to May of 2001, Orbit Enterprises, Dan Murnan, and/or
15 Michael Burdett (collectively referred to herein as “Respondents”) induced at least thirty-three persons to invest in
16 Orbit Enterprises. Respondents approached and/or offered an investment opportunity in Orbit Enterprises to at least
17 eighteen other persons during this time period.

18 5. From approximately February of 2001 to May 2001, Michael Burdett, acting as an agent for Orbit
19 Enterprises, directly participated in the investment offering as to at least seventeen of the thirty-three investors. Burdett
20 received over \$16,000 in commissions from Orbit Enterprises for his participation in the investment offering.

21 6. Most of the investors signed written stockholder or subscription agreements with Orbit Enterprises.
22 Pursuant to the terms of their respective agreements, investors were given a certain number shares of the common
23

1 stock of Orbit Enterprises for an agreed upon aggregate purchase price. The stock was sold for \$0.50 per share to
2 investors who purchased prior to April 30, 2000, and for \$1.00 per share to those investors who purchased thereafter..

3 7. Investors were typically provided a business plan of the company that included projected financial
4 information pertaining to future revenues to be earned by the company, such as projected revenues of over \$130
5 million dollars in 2004.

6 8. Respondents failed to provide investors with material information regarding Orbit Enterprises
7 during the investment offering, including but limited to: (1) how investors' funds were to be used; (2) the risks of
8 the investment; (3) financial statements of the company; (4) the variation in price of the stock sold to investors;
9 and (5) a reasonable basis for the financial projections discussed in paragraph 7.

10 9. Respondents obtained at least \$749,000 from investors in conjunction with the investment offering.

11 **III. Registration Status**

12 10. Orbit Enterprises, Inc., Dan Murnan, and Michael Burdett are not currently registered to offer or sell
13 its securities in the state of Washington and have not previously been so registered.

14 11. Orbit Enterprises, Inc. and Dan Murnan are not currently registered as securities salespersons or
15 broker-dealers in the state of Washington and have not previously been so registered.

16 12. Michael Burdett is not currently registered as a securities salesperson or broker-dealer in the state of
17 Washington. Michael Burdett was registered with the State of Washington as a securities salesperson from May of
18 1988 to September of 1989, and from February of 1994 to January of 2001. At no time was Michael Burdett
19 registered to offer or sell the securities of Orbit Enterprises, Inc.

20 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

CONCLUSIONS OF LAW

I. Securities

The offer and/or sale of stock as described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12).

II. Violation of RCW 21.20.010

The offer and/or sale of said securities was made in violation of RCW 21.20.010 because, as specifically set forth in paragraphs 7 and 8 of the Tentative Findings of Fact, Respondents omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

III. Violation of RCW 21.20.140

The offer and/or sale of said securities is in violation of RCW 21.20.140 because no registration for such offer and/or sale is on file with the Securities Administrator of the state of Washington.

IV. Violation of RCW 21.20.040

Respondents have violated RCW 21.20.040 by offering said securities while not being registered as broker-dealers or securities salespersons in the state of Washington.

ORDER AND CONSENT

Based upon the foregoing:

IT IS AGREED AND ORDERED that Orbit Enterprises, Inc. and Dan Murnan and their agents and employees shall each cease and desist from offering and selling securities in any manner in violation of RCW 21.20.010, the anti-fraud provisions of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that Orbit Enterprises, Inc. and Dan Murnan and their agents and employees shall each cease and desist from offering and selling securities in any manner in violation of RCW 21.20.140, the securities registration section of the Securities Act of Washington.

1 IT IS FURTHER AGREED AND ORDERED that Orbit Enterprises, Inc. and Dan Murnan and their agents
2 and employees shall each cease and desist from acting as an unregistered securities broker-dealers or salespersons
3 in violation of RCW 21.20.040, the broker-dealer and securities salesperson registration section of the Securities
4 Act of Washington.

5 IT IS FURTHER AGREED AND ORDERED that, for a period of three (3) years from the date of entry of
6 this Consent Order, Orbit Enterprises, Inc. and Dan Murnan, and their agents, employees, affiliates, and
7 successors, each shall disclose the existence of this Order in any prospectus or offering circular to be used in
8 conjunction with the offer and sale of any security in the state of Washington.

9 IT IS FURTHER AGREED AND ORDERED that, for a period of three (3) years from the date of entry of
10 this Consent Order the availability of exemptions from registration provided by RCW 21.20.320 (1), (9), (11), and
11 (17) as to Orbit Enterprises, Inc. or any of its affiliates or successors, and as to Dan Murnan and any entity in
12 which Dan Murnan may act as officer or director, are hereby conditioned upon the following:

- 13 (1) Orbit Enterprises, Inc. and/or Dan Murnan shall, pursuant to any claim of exemption under RCW
14 21.20.320(1), (9), (11), and (17), offer and sale its securities only to “accredited investors” as
15 defined by WAC 460-44A-501(1) as currently written or hereafter amended, unless:
 - 16 (a) Orbit Enterprises, Inc. and Dan Murnan files an offering circular with the Securities
17 Administrator thirty business days prior to making any offer to sell any security undertaken
18 in reliance upon any of the aforementioned exemptions; and
 - 19 (b) The Securities Administrator acknowledges receipt of the offering circular, and
20 does not disapprove the offering.

21 IT IS FURTHER AGREED that Orbit Enterprises, Inc. and Dan Murnan shall reimburse the Securities
22 Division One Thousand Five Hundred Dollars (\$1,500) for its costs incurred in its investigation of this matter.
23 Said payment is to be made to the Division prior to the entry of this Order.

1 IT IS FURTHER AGREED AND ORDERED that Orbit Enterprises, Inc. and Dan Murnan shall, within
2 thirty (30) days of the entry of this Order, send by certified mail or other means a copy of this Order to all past and
3 present Orbit Enterprises, Inc. investors. Respondents shall provide the Securities Division with proof of mailing
4 or delivery within sixty (60) days of the entry of this Order. Failure to do so shall be grounds to vacate this
5 consent order.

6 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents waive their right to a
7 hearing in this matter, and the Securities Division hereby vacates the Statement of Charges and Notice of Intention
8 to Enter Order to Cease and Desist SDO-88-01 as to Orbit Enterprises, Inc. and Dan Murnan.

9 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this order.

10 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

11 SIGNED this _____ day of _____, 2001.

12 Approved as to form by:

13
14
15 _____
16 C. Dean Little, Esq.
17 WSBA #1269
18 Miller Nash LLP
19 Attorney for Orbit Enterprises, Inc. and Dan Murnan

20 Signed by:

21 ORBIT ENTERPRISES, INC.

22 By _____
23 Dan Murnan, President

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

DAN MURNAN, individually

THIS ORDER ENTERED THIS 8th DAY OF JANUARY, 2001 BY:

Deborah R Bortner

DEBORAH R. BORTNER
Securities Administrator

Approved by:

Presented by:

Michael E. Stevenson
Chief of Enforcement

Chad Standifer
Staff Attorney