Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801) 530-6980

BEFORE THE DIVISION OF SECURITIES

OF THE DEPARTMENT OF COMMERCE OF THE STATE OF UTAH

IN THE MATTER OF:	MOTION FOR ENTRY OF DEFAULT JUDGMENT
PENNY FINANCIAL, INC.;	Docket No. SD-06-0097
PERRY PENNY;	Docket No. SD-06-0098
TERRY PENNY;	Docket No. SD-06-0099
RYM TECHNOLOGY HOLDINGS, LLC; and	**Docket No. SD-06-0100**
FELIX L. DANIEL SR.;	**Docket No. SD-06-0101**
Respondents.	

The Utah Division of Securities (Division) hereby moves for a default judgment against Rym Technology Holdings, LLC and Felix L. Daniel Sr., based on the following:

1. On December 20, 2006, the Division commenced a formal adjudicative proceeding by issuing an Order to Show Cause (OSC) and Notice of Agency Action (Notice) to Rym Technology Holdings, LLC, Felix L. Daniel Sr., Penny Financial, Inc., Perry Penny, and

Terry Penny. Penny Financial, Inc., Perry Penny, and Terry Penny filed a response to the OSC, and their administrative action is currently pending.

2. The Division received notice from the United State Postal Service (USPS) that Rym Technology Holdings, LLC received the OSC and Notice on February 26, 2007, and that Felix L. Daniel Sr. received the OSC and Notice on March 3, 2007.

3. At the initial administrative hearing held on Monday, March 12, 2007, the presiding officer, Wayne Klein, stated that he would consider a Motion to Default Rym Technology Holdings, LLC and Felix L. Daniel Sr., for failing to file a response to the December 20, 2006 OSC, and for failing to appear at the hearing.

4. As of the date of this motion Rym Technology Holdings, LLC and Felix L. Daniel Sr. have not filed a response to the OSC.

WHEREFORE, the Division requests that the Court find Rym Technology Holdings, LLC and Felix L. Daniel Sr. in default pursuant to Utah Code Ann. § 63-46b-11(1)(c) and requests that the Court enter a default judgment for the Division as follows:

1. That Rym Technology Holdings, LLC and Felix L. Daniel Sr. be adjudged and decreed to have wilfully engaged in the acts alleged in the December 20, 2006, OSC, in violation of the Utah Uniform Securities Act;

2. That Rym Technology Holdings, LLC and Felix L. Daniel Sr. be ordered to permanently cease and desist from any violations of the Act;

3. That Rym Technology Holdings, LLC be ordered to pay a fine of twenty five thousand dollars ($25,000) to the Division; and

4. That Felix L. Daniel Sr. be ordered to pay a fine of fifty thousand dollars ($50,000) to the Division.

DATED this 15 day of March, 2007.

MARK L. SHURTLEFF
UTAH ATTORNEY GENERAL

JEFF BUCKNER
Assistant Attorney General

Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd Floor
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Telephone: (801) 530-6600
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BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

IN THE MATTER OF:	AFFIDAVIT OF SERVICE AND NON-RESPONSE
PENNY FINANCIAL, INC.; PERRY PENNY; TERRY PENNY; **RYM TECHNOLOGY HOLDINGS, LLC; and** **FELIX L. DANIEL SR.;** Respondents.	Docket No. SD-06-0097 Docket No. SD-06-0098 Docket No. SD-06-0099 **Docket No. SD-06-0100** **Docket No. SD-06-0101**

I, Pam Radzinski, first being duly sworn, depose and state as follows:

1. I am the Executive Secretary for the Department of Commerce Division of Securities (the Division).

2. As executive secretary for the Division, I am responsible for supervising the mailing of the Division's Orders to Show Cause and for receiving any responses filed by respondents.

3. On February 6, 2007, the Division mailed, by Federal Express overnight delivery, an Order to Show Cause (OSC) to Rym Technology Holdings, LLC and Felix L. Daniel Sr., along with a Notice of Agency Action (Notice), advising that a default order would be entered if they failed to file a written response to the OSC within thirty (30) days of the mailing date of the Notice.

4. On February 7, 2007, the Division was notified by Federal Express that one of the two addresses for service on Rym Technology Holdings, LLC was incorrect.

5. On February 21, 2007, the Division mailed, by certified mail, the OSC and Notice to Rym Technology Holdings, LLC and Felix L. Daniel Sr., at new addresses.

6. The Division received notice from the United States Postal Service (USPS) that the OSC and Notice were delivered to Rym Technology Holdings, LLC on February 26, 2007, and to Felix L. Daniel Sr. on March 3, 2007.

7. As of the date of this Affidavit, the Division has not received a response from Rym Technology Holdings, LLC or Felix L. Daniel Sr.

DATED this 15TH day of March, 2007.

PAM RADZINSKI
Executive Secretary

SALT LAKE COUNTY)
) ss
STATE OF UTAH)

Signed and subscribed to before me this 15th day of March, 2007.

Notary Public

NOTARY PUBLIC
CHRISHEL JAMES
160 East 300 South 2nd Floor
Salt Lake City, UT 84114-0750
COMMISSION EXPIRES
September 9, 2010
STATE OF UTAH

Division of Securities
Utah Department of Commerce
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BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

IN THE MATTER OF:	NOTICE OF ENTRY OF DEFAULT AND ORDER
PENNY FINANCIAL, INC.; PERRY PENNY; TERRY PENNY; **RYM TECHNOLOGY HOLDINGS, LLC; and** **FELIX L. DANIEL SR.;** Respondents.	Docket No. SD-06-0097 Docket No. SD-06-0098 Docket No. SD-06-0099 **Docket No. SD-06-0100** **Docket No. SD-06-0101**

I. BACKGROUND

A formal adjudicative proceeding was initiated by the Division's Order to Show Cause and Notice of Agency Action dated December 20, 2006, against Rym Technology Holdings, LLC (Rym Technology), Felix L. Daniel Sr. (Daniel), Penny Financial, Inc., Perry Penny, and Terry Penny. The Division's administrative action against Penny Financial, Inc., Perry Penny,

and Terry Penny is currently pending. The Division has moved for entry of a default judgment against Rym Technology Holdings, LLC and Felix L. Daniel Sr. (the Defaulting Respondents).

II. FINDINGS OF FACT

1. Rym Technology Holdings, LLC was registered as a Michigan company on September 16, 2003, and its corporate status is currently "active." Rym Technology is not a registered business entity in Utah.

2. Felix L. Daniel Sr. resides in Wayne County, Michigan. At all times relevant to the matters asserted herein, Daniel held himself out to be the Managing Member of Rym Technology.

3. Penny Financial, Inc. (Penny Financial) was registered as a Michigan corporation by Terry Penny (Terry) and Perry Penny (Perry) on April 27, 2004, and its corporate status is currently "active." Penny Financial is not a registered business entity in Utah.

4. In July 2006, S. C., a Utah resident, first learned about Penny Financial and its "5 Years to Freedom Program" from Perry.

5. S. C. had signed up for a real estate investing program called the Wealth Intelligence Academy (the Academy).

6. Perry was assigned to S. C. as her coach and mentor through the Academy, and came to Utah on July 25, 2006, to train S. C.

7. During the training, Perry told S. C. she should set up her own website in order to generate business. S. C. asked Perry if he had a website, and he replied that he did and gave S. C. the web-address.

8. When S. C. visited Perry's website, which is also Penny Financial's website, she read about the "5 Years to Freedom Program" (the Program).

9. Penny Financial's website made the following statements about the Program:

a. "Pay off your mortgage in only 5 years and reduce your new mortgage payments by 50%."

b. "Free and clear in only 5 years! Lower your monthly payment! No Risk!"

c. "To qualify, you would need to have at least 25% equity in your home, or have that amount in cash. You would refinance your home if you need to access your equity, then you're ready to enter into the 5 YEARS TO FREEDOM Program."

d. "Your initial investment matures in 5 years to the amount of the original loan."

e. "The principal investment of the 5 YEARS TO FREEDOM Program is guaranteed, and will generate the amount of money borrowed, making this a "win-win" opportunity so you have nothing to lose."

f. "Your equity is invested through a reputable investment firm, with a guaranteed return on investment. Therefore, the profit made from investing the equity pays off your mortgage. By the end of the 5 years, your mortgage is paid in full, and your home is free and clear. This program is patent pending, so we've had to provide extensive documentation, showing that this program is both legitimate and beneficial."

g. "There is NO involvement with risky investments, such as stocks. And since the cost of the 5 YEARS TO FREEDOM Program is fully guaranteed, with interest, this means you have **NOTHING TO LOSE!**"

h. "The minimum loan amount is $50,000, and there's **no maximum loan amount.**"

i. "Consulting fee is 2% of the loan amount, and is due and payable at the time you enter your mortgage into the program."

j. "All parties agree that they are not licensed to sell securities and that if completed, this transaction would be exempted under the 1933 Securities Act."

10. The next time Perry came to S. C.'s home to train her, S. C. asked him about the Program.

11. S. C. asked Perry how Penny Financial could guarantee such a high return on investments.

12. Perry told S. C. that Penny Financial had a separate investment company, Rym Technology, that invested the money mainly in large real estate deals such as apartment conversions in New York and China.

13. Perry told S. C. that Penny Financial was in the process of getting a patent for the Program, and it had already passed inspection by the US Attorney's Office and the IRS.

14. Perry said that after the IRS inspected their investment opportunity, thirty IRS agents invested in the Program.

15. On August 22, 2006, S. C. sent an email to Terry asking if S. C. should refinance her home to get a higher loan to value.

16. Terry responded by saying "We always suggest that the homeowners pull as much cash out at the closing as possible."

17. On September 11, 2006, S. C. sent another email to Terry informing Terry that S. C. would like to enroll in the Program. S. C. asked to receive any forms she would need to complete.

18. Terry responded with the following:

> Felix Daniel of Rym-Technology Holdings, our investing source, will draw up two copies of the contracts. There will be a Payment Note and a Property Maintenance Agreement. He will sign and overnight to you two originals of each contract, then you sign both sets and keep one copy for your records. Then return the other signed set, along with two checks, to us.

19. On September 12, 2006, Terry e-mailed S. C., instructing her to include two checks with the signed contracts: one for $24,846.80, and one for $993.87. The $24,846.80 was the amount of money S. C. could borrow against her own home. The $993.87 was to pay Penny Financial's consulting fee, and represented 1.4% of the amount still owing on her home, or $70,000.

20. On September 15, 2006, Terry e-mailed S. C. telling her "With the Mortgage that you're currently putting into the program, here's how your return on investing (ROI) would break down:

Investment amount: $24,846
Monthly return: $537.82 X 54 months (4 ½ yrs.) = $29,042.28
Balloon payment in 4 ½ yrs: $70,990.87
$100,033.15

That's 403% ROI over 4 ½ yrs.
That's over 89% ROI per year NOT BAD!!!!!"

21. On or about September 15, 2006, S. C. received a package in the mail from Daniel of Rym Technology, which included a Payment Note signed by Daniel as the Managing Member of Rym Technology, and an unsigned Property Maintenance Agreement.

22. The Payment Note was from Rym Technology to S. C., was in the amount of $24,846.40, included an interest rate of 7% per year, and matured on March 1, 2011.

23. S. C. chose not to invest in the Program.

Misrepresentations and Omissions

24. In connection with the offer of a security to S. C., the Defaulting Respondents indirectly made false statements, including, but not limited to, the following:

a. That there was no risk involved in the investment, when, in fact, every investment involves some risk and this one involved multiple, significant risks;

b. That investors are guaranteed a return of their principal plus interest, when, in fact, the Defaulting Respondents had no reasonable basis on which to make this representation;

c. That if the investor chose to invest in the Program, all parties involved would agree that the transaction would be exempted from registration under the 1933 Securities Act, when, in fact, parties to an investment cannot agree to whether or not an investment is exempt from registration, it either is or it is not exempt;

d. That the Program was in the process of becoming patented and had passed inspection by the US Attorney's Office and the IRS, when, in fact, the US Patent and Trademark Office is the only agency involved in inspecting and approving a patent;

e. That after the IRS inspected the Program, thirty IRS agents invested, when, given that the IRS is not involved in the patenting process and never actually inspected the Program, the Defaulting Parties had no reasonable basis on which to make this representation; and

f. That if S. C. invested $24,846 in the Program, she would receive a return of 89% per year, or 403% over 4 ½ years, when, in fact, the Defaulting Parties had no reasonable basis on which to make these representations.

25. In connection with the offer of a security to S. C., the Defaulting Respondents indirectly failed to disclose material information, including, but not limited to, the following:

a. Some or all of the information typically provided in an offering circular or prospectus regarding Rym Technology and Penny Financial, such as:

i. The business and operating history for Rym Technology and Penny Financial;

ii. Identities of Rym Technology's and Penny Financial's principals along with their experience in this type of business;

iii. Rym Technology's and Penny Financial's financial statements;

iv. The market for the product of the companies;

v. The nature of the competition for the product;

vi. Current capitalization of the issuer;

vii. A description of how the investment would be used by the businesses;

viii. The track record of the companies to investors;

ix. Risk factors for investors;

x. The number of other investors;

xi. The minimum capitalization needed to participate in the investment;

xii. The disposition of any investments received if the minimum capitalization were not achieved;

xiii. The liquidity of the investment;

xiv. Discussion of pertinent suitability factors for the investment;

xv. The proposed use of the investment proceeds;

xvi. Any conflicts of interest the issuer, the principals, or the agents may have with regard to the investment;

xvii. Agent commissions or compensation for selling the investment;

xviii. Whether the investment is a registered security or exempt from registration; and

xix. Whether the person selling the investment is licensed.

III. CONCLUSIONS OF LAW

26. The service of the OSC and the Notice initiating these proceedings is valid upon the Defaulting Respondents.

27. Because Defaulting Respondents failed to file a written response to the December 20, 2006 OSC, and because they failed to appear at the March 12th, 2007 initial hearing, they are in default.

28. The investment opportunity and "Payment Note" offered by the Defaulting Respondents are securities under the Utah Uniform Securities Act (the Act).

29. In connection with the offer of a security, the Defaulting Respondents misrepresented material facts to investors.

30. In connection with the offer of a security, the Defaulting Respondents failed to disclose material information to investors which was necessary to make the statements made not misleading.

31. By this conduct, Rym Technology Holdings, LLC and Felix L. Daniel Sr. violated § 61-1-1(2) of the Act.

IV. ORDER

Based on the above, the Director hereby:

1. Declares Rym Technology Holdings, LLC and Felix L. Daniel Sr. in default for failing to file a written response to the December 20, 2006 OSC and for failing to appear at the March 12th, 2007 initial hearing.

2. Enters, as its own findings, the Finding of Fact described in Section II above.

3. Enters, as its own conclusions, the Conclusions of Law described in Section III above.

4. Finds that Rym Technology Holdings, LLC and Felix L. Daniel Sr. wilfully violated the Utah Uniform Securities Act by misrepresenting material facts in connection with the offer of a security in or from Utah in violation of § 61-1-1(2).

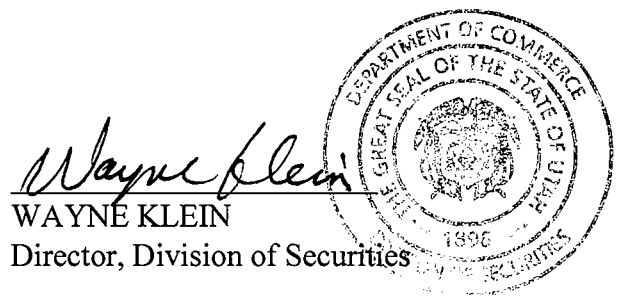
5. Finds that Rym Technology Holdings, LLC and Felix L. Daniel Sr. wilfully violated the Utah Uniform Securities Act by omitting to disclose material information in connection with the offer of a security in or from Utah in violation of § 61-1-1(2).

6. Orders Rym Technology Holdings, LLC and Felix L. Daniel Sr. to permanently CEASE and DESIST from any violations of the Act.

7. Orders Rym Technology Holdings, LLC to pay a fine of twenty five thousand dollars ($25,000) to the Division, by May 31, 2007.

8. Orders Felix L. Daniel Sr. to pay a fine of fifty thousand dollars ($50,000) to the Division, by May 31, 2007.

DATED this 16TH day of March, 2007.



WAYNE KLEIN
Director, Division of Securities

Pursuant to § 63-46b-11(3), Respondent may seek to set aside the Default Order entered in this proceeding by filing such a request with the Division consistent with the procedures outlined in the Utah Rules of Civil Procedure.

Certificate of Mailing

I certify that on the 19TH day of March, 2007, I mailed a true and correct copy of the Notice of Entry of Default and Order to:

Timothy G. Wegmeyer
Registered Agent for Rym Technology Holdings, Inc.
PO Box 596
Marine City, MI 48039

Felix L. Daniel Sr.
8953 Petoskey Ave.
Detroit, MI 48204

Pam Radzinski
Executive Secretary