

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

December 6, 2004

ADMINISTRATIVE PROCEEDING
File No. 3-11765

In the Matter of

DANIEL E. CHARBONEAU,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) be, and they hereby are, instituted against Daniel E. Charboneau (“Charboneau”).

II.

As a result of an investigation, the Division of Enforcement alleges that:

1. Charboneau, age 71, is a resident of White Plains, New York. Between 1999 and March 2002, Charboneau was the chief executive officer of FoneCash, Inc. (“FoneCash”). During that period, Charboneau participated in an offering of FoneCash common stock, which was a penny stock as defined by the Exchange Act and rules promulgated thereunder.

2. On November 15, 2004 an order of permanent injunction and other relief was entered by summary judgment against Charboneau, permanently enjoining him from violating, directly or indirectly, Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, among other provisions, in the civil action entitled Securities and Exchange Commission v. FoneCash, Inc., and Daniel E. Charboneau, Civil Action No. 1:02CV00651-RMC, in the United States District Court for the District of Columbia. The order also required Charboneau to pay a civil penalty of \$10,473.30.

3. The Commission's complaint alleged that, between 1999 and March 2002, FoneCash filed with the Commission various registration statements, post effective amendments and annual and periodic reports on Forms 10-K and 10-Q, all signed by Charboneau, which contained material misrepresentations and omissions which were known to Charboneau. The complaint alleged that, among other things, the registration statements and amendments, and certain of the reports, claimed that FoneCash manufactured credit card terminals under a specified patent which would run until 2004. In fact, the patent lapsed in 1993. The complaint alleged that certain amendments to a registration statement filed in December 2001 grossly understated the number of outstanding shares. The complaint also alleged that FoneCash maintained a website which grossly misrepresented the company's business, stating that the company had an active business processing credit card transactions through its servers and received two thirds of its revenues from that activity. In fact, FoneCash had no such business.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to accord Charboneau the opportunity to establish defenses to such allegations; and

B. Whether, pursuant to Section 15(b) of the Exchange Act, it is appropriate and in the public interest to bar Charboneau from participating in any offering of penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock; or inducing or attempting to induce the purchase or sale of any penny stock.

IV.

IT IS HEREBY ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice. This Order shall be served upon Charboneau personally or by certified mail forthwith.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Jonathan G. Katz
Secretary