STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION, AND HOUSING AGENCY
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

TO: **Eng Taing**
Touzi Capital, LLC
340 S Lemon Avenue, 8284
Walnut, California 91789-2706

DESIST AND REFRAIN ORDER

(For violations of Sections 25110 and 25401 of the Corporations Code)

The Commissioner of Financial Protection and Innovation finds that:

1. At all relevant times herein, Touzi Capital, LLC (Touzi) was a California limited liability company with its principal place of business located at 340 S Lemon Avenue, 8284, Walnut, California 91789-2706.

2. At all relevant times herein, Eng Taing (Taing) was the sole managing member and control person of Touzi Capital within the meaning of California Corporations Code sections 160 and 25403[1]. Under section 160(a), "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the corporation. In addition, Taing has control of Touzi Capital's bank accounts and digital financial asset wallets.

3. Touzi and Taing maintained a website at www.touzicapital.com, where they represented, among other things, that:

> We believe your money should work for you. That means investing your capital efficiently and optimally. Touzi Capital believes in the power of passive income as primary wealth building…. We believe it is important to invest in more than just stocks and bonds. We help you diversify your portfolio with commercial real estate assets, digital blockchain funds, and other alternative offerings which allow you to diversify your portfolio all in one place.

4. Beginning in or around May 2020, Touzi and Taing offered and sold securities in the form of notes or investment contracts to at least 840 investors, raising at least $119,000,000. Touzi and Taing operated and controlled at least 24 corporate accounts and pooled investment funds, which

[1] All citations herein are to the California Corporations Code unless specified otherwise.

included digital financial asset mining, consumer debt rehabilitation (known as "PECC"), and the development of assisted-living facilities and commercial real estate.

5. Touzi and Taing's website further classified their investment offerings as "Commercial Real Estates, Digital Blockchain Funds, Portfolio Diversification and Other Funds." Some of the securities in the form of notes, investment contracts or pooled funds that Touzi and Taing offered to California investors are identified as the "PECC Fund," "Grand Royale (Monthly Shares);" "Oil & Gas Mineral Rights;" "Senior Living Blended Fund;" "Regard - Multifamily in Houston;" "Bitcoin Mining Fund IV;" "Data Center Income Fund;" and "Touzi Opportunity Zone Fund I (Class A Growth)."

6. Touzi and Taing solicited investors directly or through third parties through their website and online investment portal. Upon contacting a potential investor, Touzi and Taing would conduct webinars and podcasts during which they explained their investment offerings to potential investors and provided marketing materials such as "pitch decks," offering materials, and wire instructions.

7. Touzi and Taing represented to potential investors that funds invested in a given investment vehicle would be invested in that vehicle. However, on multiple occasions, Touzi and Taing commingled investor funds, paid funds to unrelated investments and counterparties, and spent funds on personal expenses without informing or seeking approval from investors.

8. For Bitcoin mining-related investments, Touzi and Taing promised investors quarterly distributions on cash flow based on the performance of the investment and investors' preferred returns. They also represented that investors would not lose their entire capital because Touzi and Taing could liquidate the Bitcoin mining machines if the price of Bitcoin dropped under the break-even point.

9. For PECC vehicles, Touzi and Taing promised investors returns of 12 percent per year and the return of their full invested capital at any time with one month's notice.

10. On or around March 16, 2021, an investor, referred to as "Investor A," invested $25,000 in a Touzi bitcoin mining vehicle. However, on March 22, 2021, investor A's funds were commingled with other investor funds and subsequently transferred to the account of an unrelated

individual, without Investor's A's approval. This bitcoin mining vehicle was not qualified under California law or otherwise exempt from qualification.

11. On or around April 21, 2021, another investor, referred to as "Investor B," invested $50,000 in a Touzi PECC debt rehabilitation vehicle. However, on or around April 27, 2021, Investor B's funds were commingled with funds intended for investment in commercial and residential real estate and then paid to an entity related to a Touzi bitcoin mining vehicle, without Investor B's authorization. This PECC vehicle was not qualified under California law or otherwise exempt from qualification.

12. On or around June 14, 2021, Touzi and Taing initially transferred at least nine investors' funds totaling $100,000 from Touzi's business account to Eng Taing's personal account. These funds were later transferred to Eng Taing's personal Coinbase investment account.

13. On or around April 1, 2022, a third investor referred to as "Investor C" invested $50,000 in a Touzi PECC debt rehabilitation vehicle. However, on April 7, 2022, Investor C's funds were commingled with funds from Touzi Data Center Invest, LLC, a Touzi vehicle for investing in data center real estate, before being redirected to a Touzi PECC-related entity, without Investor C's authorization. This PECC vehicle was not qualified under California law or otherwise exempt from qualification.

14. On or around April 19, 2022, an investor, referred to as "Investor D," invested $100,000 in Touzi Minerals, LLC, which was intended for investment in an oil drilling operation. However, on April 28, 2022, Investor D's funds were commingled in a concentration account with other investor funds designated for PECC debt rehabilitation and bitcoin mining. That same day, the funds were wired to a third-party entity specializing in land acquisition for commercial and residential real estate development for another, unrelated Touzi investment vehicle.

15. These securities were offered or sold in this state in issuer transactions. The Department of Financial Protection and Innovation has not issued a permit or other form of qualification authorizing any person to offer or sell the securities referred to herein in this state, nor is Touzi or any of its related entities exempt from the qualification requirement.

16. In connection with the offer and sale of securities, Touzi and Taing made, or caused to be made, misrepresentations of material fact, or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. These misrepresentations and omissions included, but are not limited to, the following:

i. Representing that Investor A's investment would be invested in Touzi's Bitcoin mining vehicle, when in fact, Investor A's funds were commingled with other investor funds and transferred to an unrelated individual, without Investor A's approval. Further, Touzi and Taing failed to liquidate the mining machines as promised, and to date, Investor A has not received the promised returns or Investor A's principal investment.

ii. Representing that Investor B's funds would go towards the Touzi PECC debt rehabilitation vehicle, when, in reality, Investor B's funds were commingled with funds intended for other Touzi investment vehicles and subsequently paid to an entity associated with a Touzi Bitcoin mining vehicle. Investor B did not receive the promised returns or the return of Investor B's principal investment as Touzi and Taing promised.

iii. Representing that Investor C's funds would be invested in the Touzi PECC debt rehabilitation vehicle, while actually commingling Investor C's funds with other Touzi pooled funds and using them for other business ventures. Further, Investor C did not receive the returns promised by Touzi and Taing.

iv. Stating that Investor D's funds would be used for an oil drilling operation yet commingling those funds and transferring them to an unrelated Touzi investment vehicle.

v. Transferring at least nine investors' funds totaling $100,000 from Touzi's business account to Taing's personal account and subsequently using those funds for Taing's personal Coinbase investment account.

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Based on the foregoing findings, the Commissioner is of the opinion that the securities in the form of notes or investment contracts and sold by Touzi Capital and Eng Taing are securities subject to qualification under the CSL and are being or have been offered or sold without being qualified, in violation of section 25110.

Pursuant to Section 25532, Touzi Capital and Eng Taing are hereby ordered to desist and refrain from the further offer or sale in the State of California of securities, including, but not limited to notes or investment contracts, unless and until qualification has been made under said law or unless exempt.

Based on the foregoing findings, the Commissioner is of the opinion that the securities in the form of investment contract offered and sold by Touzi Capital and Eng Taing were securities offered and sold in this state by means of written or oral communications that included untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of section 25401.

Pursuant to section 25532, Touzi Capital and Eng Taing are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security in the State of California, including, but not limited to notes or investment contracts, by means of any written or oral communication, which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the CSL.

Dated: November 13, 2025
San Francisco, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation

By_____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division