

1 STATE OF CALIFORNIA
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY
3 DEPARTMENT OF CORPORATIONS

4 TO: Aaron Douglas Phanco
5 Ambassador Investments, LLC
6 111 Avenida Del Mar, Ste. 220D
7 San Clemente, CA 92672

8 **DESIST AND REFRAIN ORDER**

9 **(For violations of section 25401 of the Corporations Code)**

10 The California Corporations Commissioner finds that:

11 1. At all relevant times herein, Aaron Douglas Phanco ("Phanco") was Managing
12 Member of Ambassador Investments, LLC ("Ambassador"), a California limited liability company
13 formed on September 12, 2005. Ambassador was located at 111 Avenida Del Mar, Ste. 220D, San
14 Clemente, California 92672.

15 2. Beginning in or around August 2006 through at least June 2007, Phanco and
16 Ambassador offered and sold securities in the form of promissory notes in Ambassador to at least 5
17 investors totaling over \$500,000. Investors were promised a high rate of return on their money from
18 real estate investments.

19 3. In connection with the offer and sale of these securities, Phanco and Ambassador
20 made, or caused to be made, misrepresentations of material fact or omitted to state material facts
21 necessary in order to make the statements made, in the light of the circumstances under which they
22 were made, not misleading. These misrepresentations and omissions included, but are not limited to
23 the following:

24 a. Phanco and Ambassador misrepresented that investor money would be
25 invested in real property; in fact, no properties were purchased with the investors' monies;

26 b. Phanco and Ambassador misrepresented that the promissory notes were
27 secured by specific properties that Phanco had an ownership interest in when in actuality Phanco
28 never recorded any deeds of trusts;

c. Phanco and Ambassador failed to disclose that Ambassador was not

1 qualified in the state of California to offer and sell securities; and

2 d. Phanco and Ambassador misrepresented to investors that they would earn up
3 to 20% every 30 days on their investments.

4 The California Commissioner of Corporations is of the opinion that the securities in the form
5 of promissory notes issued by Phanco and Ambassador were offered and sold in this state by means
6 of written or oral communications which included untrue statements of material fact or omitted to
7 state material facts necessary in order to make the statements made, in the light of the circumstances
8 under which they were made, not misleading, in violation of section 25401 of the Corporate
9 Securities Law of 1968.

10 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Aaron Douglas Phanco
11 and Ambassador Investments, LLC are hereby ordered to desist and refrain from offering or selling
12 or buying or offering to buy any security in the State of California, including, but not limited to
13 promissory notes, by means of any written or oral communication which includes an untrue statement
14 of a material fact or omits to state a material fact necessary in order to make the statements made, in
15 the light of the circumstances under which they were made, not misleading.

16 This Order is necessary, in the public interest, for the protection of investors and consistent
17 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

18 Dated: May 7, 2013
19 Los Angeles, California

20
21 JAN LYNN OWEN
22 California Commissioner of Corporations

23 By _____
24 MARY ANN SMITH
25 Deputy Commissioner
26 Enforcement Division
27
28