STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Derrick D. Stephens, aka Derek Stephens and Derrick Rowe
Nicole Lundie
Matt Cavanaugh
Allen Moore
Double Star Holdings, LLC
Penthouse Garden Suite
9454 Wilshire Blvd.
Beverly Hills, CA 90212
and
468 N. Camden Drive, Suite 287H
Beverly Hills, CA 90210

DESIST AND REFRAIN ORDER
(For violations of sections 25110, 25401, 25210, 29535, and 29536 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Double Star Holdings, LLC (“Double Star”) is a Delaware limited liability company formed on February 27, 2006. It maintains business addresses at 9454 Wilshire Blvd., Beverly Hills, CA 90212 and 468 N. Camden Drive, Suite 287H, Beverly Hills, CA 90210. Double Star is in the business of generating profits by buying and selling real estate.

2. At all relevant times, Derrick D. Stephens, aka Derek Stephens and Derrick Rowe (“Stephens”), was an individual residing in California. At all relevant times, Stephens was the principal and control person of Double Star.
3. Nicole Lundie (“Lundie”) is an individual with a business address in Beverly Hills, California. At all relevant times, Lundie offered and sold securities on behalf of Double Star.

4. Matt Cavanaugh (“Cavanaugh”) is an individual with a business address in Beverly Hills, California. At all relevant times, Cavanaugh offered and sold securities on behalf of Double Star.

5. Allen Moore (“Moore”) is an individual with a business address in Beverly Hills, California. At all relevant times, Moore offered and sold securities on behalf of Double Star.

6. In October 2005, Stephens, acting as a salesperson for an unrelated company, solicited at least one individual to purchase securities in that company, in the form of options. Stephens offered securities by means of general solicitation in the form of telephone “cold calls” to the individual.

7. In January 2006, the investor described in paragraph (6) above purchased $25,000.00 of securities through Stephens. After Stephens liquidated that investment for the investor, Stephens solicited the investor to re-invest the $25,000.00 in a currency trading program with Alliance Currency and Trading Group International (“ACTGI”), an entity of unknown form. The investor did re-invest and Stephens used the investor’s funds to trade foreign currency through ACTGI.

8. The currency trading by Stephens, through ACTGI, was a commodity within the meaning of Section 29504 of the California Commodity Law of 1990 (“Commodity Law”). Stephens traded the investor’s funds under a commodities contract within the meaning of Section 29505 of the Commodity Law.

9. Stephens told the investor that the balance in the investor’s trading account with ACTGI went from $25,000.00 to $48,000.00 as the result of the currency trading activity. However,
Stephens only returned $45,000.00 of the investor’s funds and failed to return $3,000.00 to the investor.

10. Stephens is not licensed by the Commodity Futures Trading Commission (“CFTC”) as a commodity merchant. Stephens is not exempt from the licensure requirements of the Commodity Law of 1990 or the CFTC.

11. In March 2006, Stephens, now acting as the Chairman and CEO of Double Star, offered and sold securities in the form of interests in a limited liability company, evidenced by a “Joint Venture Agreement.” The written agreement provided that the investor would receive 10% interest in Double Star and 3% of the company’s net profits after the first year of operations. It specifically provided that the investor would be a “silent partner” and would have no power over the daily operation and functioning of the joint venture.

12. Beginning in at least 2006, Moore, Cavanaugh, and Lundie offered and sold securities in the form of an investment contract to investors, including at least one investor residing in California, by telephone solicitations. The investment contracts were evidenced by a “Disclosure Agreement and Private Financial Promissory Agreement.” Stephens and Double Star also offered and sold these investment contracts. The “Disclosure Agreement and Private Financial Promissory Agreement” provided that the investment would be fully secured by real property and promised investors profits of 20-30% within 45-60 days.

13. Double Star, Stephens, Moore, Cavanaugh, and Lundie failed to pay investors the agreed upon profit within 45-60 days.

14. The securities, in the form of interests in a limited liability company and investment contracts, were offered or sold in this state in issuer transactions. The Department of Corporations has not issued a permit or other form of qualification authorizing any person to offer and sell these
1. Securities in this state. The securities are not exempt from the requirement of qualification provided by Section 25110 of the Corporate Securities Law of 1968.

15. In soliciting investors to purchase securities and enter into the commodity contract, Stephens, Double Star, Moore, Cavanaugh, and Lundie willfully omitted to disclose that in 1989, Stephens was barred by the National Association of Securities Dealers, Inc. (“NASD”) from associating with any NASD member firm.

16. In soliciting investors to purchase securities in the form of an investment contract, Stephens, Double Star, Moore, Cavanaugh, and Lundie misrepresented that the investors would be paid a profit of 20-30% within 45-60 days. In fact, the investors did not receive a profit within 45-60 days.

17. Beginning in at least 2007, Cavanaugh and Double Star, acting on behalf of Cortez Energy Partners LLC, offered securities in the form of an investment contract to at least one investor residing in California. Cavanaugh and Double Star made this offer by sending emails describing an “oil and gas project” and sending a Confidential Offering Memorandum purportedly published by Cortez Energy Partners LLC. According to the Confidential Offering Memorandum, the investment was in a natural gas development and exploitation project in southwestern Colorado.

18. In offering securities in the form of an investment contract described in the Confidential Offering Memorandum, Cavanaugh and Double Star acted as broker-dealers within the meaning of Corporation Code section 25004. Neither Cavanaugh nor Double Star has obtained from the California Corporations Commissioner a certificate to act as a broker-dealer. Neither Cavanaugh nor Double Star is exempt from the certificate requirement.

Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that Derrick D. Stephens, aka Derek Stephens and Derrick Rowe, engaged in a trade or business or
otherwise acted as a commodity merchant without being registered, licensed, or exempt, in violation of Section 29535 of the California Commodity Law of 1990 (Cal. Corp. Code § 29500 et seq.). Pursuant to Section 29542 of the California Commodity Law of 1990, Derrick D. Stephens, aka Derek Stephens and Derrick Rowe, is hereby ordered to desist and refrain from purchasing or selling, offering to sell or to purchase, offering to enter into, or entering into, a commodity, commodity contract, or commodity option in the State of California, including but not limited to trading foreign currency, unless registered or licensed as a commodity merchant with the Commodity Futures Trading Commission, unless exempt.

Further, the California Corporations Commissioner is of the opinion that Derrick D. Stephens, aka Derek Stephens and Derrick Rowe, willfully omitted 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 in violation of Section 29536 of the California Commodity Law of 1990. Pursuant to Section 29542 of the California Commodity Law of 1990, Derrick D. Stephens, aka Derek Stephens and Derrick Rowe, is hereby ordered to desist and refrain from purchasing or selling, offering to sell or to purchase, offering to enter into, or entering into, a commodity, commodity contract, or commodity option in the State of California, including but not limited to trading foreign currency, by making any untrue statement of material fact, or omitting 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.

Further, the California Corporations Commissioner is of the opinion that the investments that are being or have been offered or sold by Derrick D. Stephens, aka Derek Stephens and Derrick Rowe, Nicole Lundie, Matt Cavanaugh, Allen Moore, and Double Star Holdings, LLC are securities subject to qualification under the California Corporate Securities Law of 1968 and are being or have been offered or sold without being qualified in violation of Corporations Code section 25110. Pursuant to section 25532 of the Corporate Securities Law of 1968, Derrick D. Stephens, aka Derek Stephens and Derrick Rowe, Nicole Lundie, Matt Cavanaugh, Allen Moore, and Double Star Holdings, LLC 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 interests in a limited liability company and investment contracts, unless and until qualification has been made under the law or unless exempt.

Further, the California Corporations Commissioner is of the opinion that the securities offered and sold by Derrick D. Stephens, aka Derek Stephens and Derrick Rowe, Nicole Lundie, Matt Cavanaugh, Allen Moore, and Double Star Holdings, LLC were offered or sold in this state by means of written or oral communications which included an untrue statement of a material fact or omitted 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, in violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the Corporate Securities Law of 1968, Derrick D. Stephens, aka Derek Stephens and Derrick Rowe, Nicole Lundie, Matt Cavanaugh, Allen Moore, and Double Star Holdings, LLC are hereby ordered to desist and refrain from offering or selling any security in the State of California, including but not limited to interests in a limited liability company and investment contracts, by means of any written or oral communication which includes an untrue statement of material fact or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

Further, the California Corporations Commissioner is of the opinion that Matt Cavanaugh and Double Star Holdings, LLC have effected transactions in securities as broker-dealers without having first applied for and secured from the Commissioner a certificate authorizing them to act in that capacity, in violation of section 25210 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the Corporate Securities Law of 1968, Matt Cavanaugh and Double Star Holdings, LLC are hereby ordered to desist and refrain from effecting any transaction in, or inducing or attempting to induce the purchase or sale of, any security in this state unless and until they have applied for and secured from the Commissioner a certificate, then in effect, authorizing them to act in that capacity, or unless exempt.
This Order is necessary, in the public interest, for the protection of investors and consistent
with the purposes, policies, and provisions of the Commodity Law of 1990 and the Corporate

Dated: September 11, 2008
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By:

ALAN S. WEINGER
Acting Deputy Commissioner
Enforcement Division