

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

TO: Tibor Krechko, individually and doing business as
Sonoma Trade Exchange,
Itex Sonoma Trade Exchange and
Golden Coast Group
P.O. Box 492
Santa Rosa, CA 95401

369 Greenfield Cir.
Santa Rosa, California 95409

DESIST AND REFRAIN ORDER

The California Corporations Commissioner finds that:

1. Tibor Krechko (“Krechko”) does business in Santa Rosa, California, under the fictitious business name Sonoma Trade Exchange. He maintains a yellow page listing for the phone number (707) 537-9046 under the name Itex Sonoma Trade Exchange.
2. Krechko has circulated a three-page solicitation in the Oakmont Village retirement community in Santa Rosa addressed “dear Neighbor and Fellow Villager.” The heading of the letter states that it is “From the desk of: Tibor Krechko, Dipl. Economist Chief Trading Officer/CEO.” The letter heading includes the business names Sonoma Trade Exchange, P.O. Box 492, Santa Rosa, CA 95402 and STE/Golden Coast Group. Across the bottom of the letter appears the text Sonoma Trade Exchange, 369 Greenfield cir., Santa Rosa, CA 95409.
3. In the letter, Krechko states: “I run a trade brokerage firm ‘Sonoma Trade Exchange.’ (STE).” He states further:

Our company specializes in international trade, barter and – stocks DAY-TRADING. We have spent over 5 years of research and practice to master the new way of stocks trading and we are now offering our trading skills to any potential partner who might be interested in short-term investment with us.

Krechko states that he seeks “silent or active” partners to invest a minimum of \$25,000 in day trading accounts. In the letter, Krechko represents that he has day-trading systems that can deliver 20% profits per month “without putting the invested capital at risk!” Krechko represents further:

1% per day, 20% profit (or more) in a month for investor is a realistic figure, all – without putting the invested capital at serious risk – due to protective trading strategy we have developed for every trading trap known to us. And in addition – it does not matter if the market goes down: we short sell and still are able to maintain this 1%-2% per day profit average.

4. According to the letter, investors receive maximum profits of 1% per day from the trading efforts made by Sonoma Trade Exchange on their behalf. Any profits up to 2% per day are split between Sonoma Trade Exchange and the investor. Profits above 2% per day belong to Sonoma Trade Exchange.

5. Sonoma Trade Exchange is not registered with the Securities and Exchange Commission as a broker-dealer. Krechko is not registered as an investment adviser with either the Securities and Exchange Commission or the Department of Corporations.

Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that Tibor Krechko, dba Sonoma Trade Exchange, ITEX Sonoma Trade Exchange and Golden Coast Group, is conducting business as an investment adviser in California without having first secured a certificate from the Commissioner authorizing him to do so, in violation of section 25230 of the California Corporations Code. Accordingly, it is hereby ordered pursuant to Corporations Code section 25532(b) that Tibor Krechko, dba Sonoma Trade Exchange, ITEX Sonoma Trade Exchange and Golden Coast Group, desist and refrain from conducting further business as an investment adviser in California unless and until he has applied for and been granted a certificate by the Commissioner pursuant to Corporations Code section 25230(a).

Dated: May 6, 2002
Sacramento, California

DEMETRIOS A. BOUTRIS
California Corporations Commissioner

By _____
VIRGINIA JO DUNLAP
Acting Supervising Counsel
Enforcement and Legal Services Division