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

TO: Paul Abad aka Paul Vivera Abad
Thirteen Thirty-Two, Inc.
25251 Paseo de Alicia, Ste. 200
Laguna Hills, CA 92653

DESIST AND REFRAIN ORDER

(For violations of Corporations Code Sections 25210 & 25401)

The California Corporations Commissioner finds that:

1. Thirteen Thirty-Two, Inc. ("1332") is a Nevada corporation incorporated November 17, 1999, in revocation as of December 1, 2007. 1332 filed with the California Secretary of State as a foreign corporation on April 26, 2000, but its status was forfeited on October 1, 2003. 1332's last known business address is 25251 Paseo de Alicia, Ste. 200, Laguna Hills, California 92653.

2. At all relevant times herein, Paul Abad aka Paul Vivera Abad ("Abad") is or was an individual whose last known business address is 25251 Paseo de Alicia, Ste. 200, Laguna Hills, California 92653. Abad is the president and chief executive officer of 1332.

3. Since at least in or about March 2006 and continuing thereafter, 1332 and Abad (collectively, "Respondents") have offered or sold securities, including without limitation investment contracts, to California residents.

4. In offering these securities, Respondents represented to actual and potential investors that they were traders, authorized to obtain money from the investors for the purpose of trading securities for the benefit of those investors.

5. In 2006, Respondents solicited California residents ("Investors") to invest at least \$65,000 pursuant to a "Borrowing Agreement" with 1332 (the "Agreement"). Abad told the Investors that he

1 was a “day trader,” and held himself out as licensed to buy and sell securities on behalf of others. The
2 Agreement also refers to 1332 as a “trader.”

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4 6. In soliciting the investments, Respondents represented that the Investors would participate
5 in a pool that would trade on indexes and in securities and commodities. The Agreement provided
6 that 1332 would provide quarterly reports to the Investors, and that at the end of each quarter, the
7 Investors could withdraw money after notice to 1332.

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9 7. The Agreement specified that the Investors would “assume some risks,” but 1332 would
10 “inform the [Investors] if the principal borrowed is less than 20% . . . The [Investors] will then instruct
11 1332, Inc. what to do” with the remaining principal. Pursuant to the Agreement, Respondents would
12 pay the Investors fifteen percent (15%) of the principal for a term of one year.

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14 8. Respondents also told the Investors that they could earn a better return than the Investor
15 was currently making on their money, but that the money would not be traded too aggressively and
16 could be withdrawn in the case of an emergency.

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18 9. In or about November 2007, the Investors sought to withdraw money from their account
19 pursuant to the terms of the Agreement. However, Respondents refused and/or failed to return the
20 money. To date, the Investors have been unable to obtain the return of either principal or interest on
21 their investment.

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23 10. The Agreement constitutes an investment contract, a “security” under California
24 Corporations Code Section 25019.

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26 11. A broker-dealer is any person engaged in the business of effecting transactions in
27 securities in this state for the account of others or for his own account.
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1 12. The Department of Corporations has not issued a certificate authorizing any of the
2 Respondents to act as a broker-dealer. None of the Respondents are exempt from the certification
3 requirement under section 25210 of the California Corporations Code.
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5 13. Respondents offered and sold the securities described herein by means of written and oral
6 communications which included untrue statements of material fact and which omitted to state material
7 facts necessary in order to make the statements made, in light of the circumstances under which they
8 were made, not misleading. The misrepresentations and omissions of material fact include:

- 9 a) Respondents were authorized to engage in the business of effecting transactions in
10 securities in this state for the account of others;
- 11 b) Investors' money would be used for securities and commodities index trading;
- 12 c) Respondents would provide accurate quarterly statements reflecting profits, losses,
13 and the investment balance;
- 14 d) Investors would be advised if the account fell below twenty percent (20%) of the
15 principal invested, at which point the Investors could advise Respondents on a
16 course of conduct;
- 17 e) Investors could withdraw money at the end of each quarter within a one week
18 window, with one week notice to 1332;
- 19 f) Respondents failed to disclose that 1332's corporate powers, rights and privileges
20 were forfeited by the California Franchise Tax Board on October 1, 2003, and have
21 never been reinstated;
- 22 g) Respondents failed to disclose that while Abad was a registered representative with
23 the National Association of Securities Dealers, Inc. (NASD), predecessor to the
24 Financial Industry Regulatory Authority (FINRA), that registration terminated on
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1 or about October 23, 1997, and Abad has not been registered with FINRA since that
2 time; and

3 h) Respondents failed to disclose that neither Abad nor 1332 are authorized to offer or
4 sell securities for their own account or for the account of others.
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6 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
7 that Thirteen Thirty-Two, Inc. and Paul Abad aka Paul Vivera Abad are subject to the laws regulating
8 broker-dealers under the California Corporate Securities Law of 1968, and have effected transactions
9 in, or induced or attempted to induce the purchase or sale of, securities as broker-dealers, without
10 having first applied for and secured from the Commissioner a certificate authorizing these persons to
11 act in that capacity, in violation of section 25210 of the Corporations Code. Pursuant to section 25532
12 of the Corporations Code, Thirteen Thirty-Two, Inc. and Paul Abad aka Paul Vivera Abad are hereby
13 ordered to desist and refrain from effecting any transaction in, or inducing or attempting to induce the
14 purchase or sale of, any security, in this state, unless and until certification has been made under said
15 law or unless exempt.
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18 In addition, based on the foregoing findings, the California Corporations Commissioner is of
19 the opinion that Thirteen Thirty-Two, Inc. and Paul Abad aka Paul Vivera Abad offered and sold
20 securities by means of written and oral communications including untrue statements of material facts
21 and omissions of material facts necessary to make the statements, in light of the circumstances under
22 which they were made, not misleading, in violation of section 25401 of the Corporations Code.
23 Pursuant to section 25532 of the Corporations Code, Thirteen Thirty-Two, Inc. and Paul Abad aka
24 Paul Vivera Abad are hereby ordered to desist and refrain from offering or selling any security in the
25 State of California by means of any written or oral communication which includes an untrue statement
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1 of a material fact, or omits to state a material fact necessary in order to make the statements made, in
2 the light of the circumstances under which they were made, not misleading.

3 This Order is necessary, in the public interest, for the protection of investors and consistent
4 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.
5

6 Dated: December 10, 2008
7 Los Angeles, California

8 PRESTON DuFAUCHARD
9 California Corporations Commissioner

10 By _____
11 ALAN S. WEINGER
12 Lead Corporations Counsel
13 Enforcement Division
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