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

TO: Drew I. Spangler
Augustine M. Gallo
WORLDWIDE CAPITAL MANAGEMENT
WORLDWIDE CAPITAL MANAGEMENT, LLC.
10225 Barnes Canyon Road, Suite 211
San Diego, California 92121

DESIST AND REFRAIN ORDER

(For violations of section 25110, 25230 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Worldwide Capital Management, LLC, and Worldwide Capital Management (Collectively “Worldwide Capital”), are entities whose legal status is unknown. Worldwide Capital is purportedly a private asset management firm that provides investment services to the public. Worldwide Capital’s last known business address is 10225 Barnes Canyon Road, Suite 211, San Diego, California 92121.
2. At all relevant times herein, Augustine M. Gallo (“Gallo”) is, or was, chief executive officer of Worldwide Capital.
3. At all relevant times herein, Drew I. Spangler (“Spangler”) is, or was, the account executive for Worldwide Capital.
4. Worldwide Capital maintains a website at www.wcm7.com. Through its website and since at least February 2006, Worldwide Capital, Spangler and Gallo have offered, and continue to offer or solicit offers of sales of securities in the form of investment contracts or promissory notes of Worldwide Capital to the general public, including California residents. Worldwide Capital, Spangler and Gallo are selling or offering to sell the securities for an amount ranging from \$50.00 to \$250.00. Additionally, the securities being offered for sale or sold promise investors a 15-20% return on investment per annum.

1 5. Through their website and since at least February 2006, Worldwide Capital, Spangler
2 and Gallo have advertised that they conduct business as investment advisers in return for
3 compensation.

4 6. In or about February 2006, and through means of unsolicited mail advertisements and
5 cold calling, Worldwide, Spangler and Gallo offered to sell an investor an investment contract or
6 promissory note of Worldwide Capital in the manner and on the terms described above.

7 7. The purported purpose of the offering was to raise funds that Worldwide Capital
8 would apply to various investment projects in order to generate profit for investors.

9 8. These securities were offered in this state in issuer transactions. The Department of
10 Corporations has not issued a permit or other form of qualification authorizing any person to offer
11 and sell these securities in this state

12 9. Worldwide, Gallo and Spangler offered to sell or sold securities by means of written
13 and oral communications which included untrue statements of material facts and omitted to state
14 material facts necessary in order to make the statements made, in the light of the circumstances
15 under which they were made, not misleading.

16 The misrepresentations include, but are not limited to the following:

17 (i) Representations that Worldwide, Gallo and Spangler were licensed investment
18 advisers when in fact they did not have a license from either the Department of
19 Corporations or the Securities and Exchange Commission to act as investment
20 advisers.

21 (ii) Representations that Worldwide, Gallo, and Spangler held NASD license series 3, 7,
22 63, and 65, when in fact they did not hold such licenses.

23 10. In addition, since at least February 2006, Worldwide, Gallo and Spangler, have
24 unlawfully conducted business as investment advisers by engaging in the business of advising the
25 public, including California residents, as to the value of securities or as to the advisability of
26 investing in securities for compensation. Worldwide Capital, Spangler and Gallo's solicitation
27 materials represent as follows: "Our comprehensive investment projects and program packages offer
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1 a variety of rewards tailored to each individual’s needs. WCM offers a more flexible, diversified
2 way of investing with guaranteed returns.”

3 11. Since at least February 2006, and through means of their website, unsolicited mail
4 advertisements and cold calling, Worldwide, Spangler and Gallo have conducted business as
5 investment advisers as described above.

6 12. Gallo, Spangler or Worldwide Capital did not have valid investment adviser
7 certificates issued by the Department of Corporations or the U.S. Securities and Exchange
8 Commission at any time.

9 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
10 that the securities offered or sold in this state were by means of written or oral communication,
11 which included an untrue statement of a material fact or omitted to state a material fact necessary in
12 order to make the statements made, in the light of the circumstances under which they were made,
13 not misleading, in violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to
14 section 25532 of the Corporate Securities Law of 1968, Worldwide Capital Management, LLC,
15 Worldwide Capital Management, Drew I. Spangler, and Augustine M. Gallo are hereby ordered to
16 desist and refrain from offering or selling or buying or offering to buy any security in the State of
17 California, including but not limited to investment contracts or promissory notes of Worldwide
18 Capital, by means of any written or oral communication which includes an untrue statement of a
19 material fact or omits to state a material fact necessary in order to make the statements made, in the
20 light of the circumstances under which they were made, not misleading.

21 Further, the California Corporations Commissioner is of the opinion that the securities in the
22 form of investment contracts or promissory notes of Worldwide Capital that were offered are
23 securities subject to qualification under the California Corporate Securities Law of 1968, and are
24 being or have been offered or sold without being qualified in violation of Section of 25110 of the
25 Corporate Securities Law of 1968. Pursuant to Section 25532 of the Corporate Securities Law of
26 1968, Worldwide Capital Management, LLC, Worldwide Capital Management, Drew I. Spangler,
27 and Augustine M. Gallo are hereby ordered to desist and refrain from the further offer or sale in the
28 State of California of securities, including but not limited to, securities in the form of investment

1 contracts or promissory notes of Worldwide Capital, unless and until qualification has been made
2 under the law or unless exempt.

3 Additionally, based upon the foregoing findings, the California Corporations Commissioner
4 is of the opinion that Worldwide Capital, Gallo and Spangler have conducted business as investment
5 advisers in this state without first applying for and securing from the Commissioner a certificate
6 authorizing them to do so, in violation of section 25230 of the Corporate Securities Law of 1968.
7 Pursuant to section 25532 of the Corporate Securities Law of 1968, Worldwide Capital
8 Management, LLC, Worldwide Capital Management, Drew I. Spangler, and Augustine M. Gallo, are
9 hereby ordered to desist and refrain from acting as investment advisers in the State of California
10 unless and until they have first applied for and secured from the Commissioner a certificate, then in
11 effect, authorizing them to act as investment advisers. This Order is necessary, in the public interest,
12 for the protection of investors and consistent with the purposes, policies, and provisions of the
13 Corporate Securities Law of 1968.

14 Dated: August 31, 2006
15 Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

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17 By _____
18 ALAN S. WEINGER
19 Supervising Attorney
20 Enforcement Division
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