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

TO: Calusa-investments.net

DESIST AND REFRAIN ORDER
(For violations of section 25210 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Calusa-investments.net operated on the World Wide Web at www.calusa-investments.net beginning in or about April 19, 2006 and represented to be a company known as CALUSA Investments, LLC located at 14040 Park Center Road, Suite 3000, Herndon, VA 20171, holding a license from the Department of Corporations, number 603-8123.
 2. Beginning in or about April 19, 2006, Calusa-investments.net offered to manage and trade investors' monies on the Forex market as well as securities and futures and swaps markets. Investors were offered four choices in how to invest their money. They could sign up for Free Invest, a six-day free trial investment period in which they were promised returns of 63% on a minimum investment of \$50.00, or they could choose one of three Investment Packs. The Silver Pack guaranteed a 170% return on a minimum investment of \$300.00, the Gold Pack guaranteed a 280% return on a minimum investment of \$500.00, and the Platinum Pack guaranteed a return 350% on a minimum investment of \$1,000.00.
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1 3. Calusa-investments.net promised investors that it had partnered with a select group of
2 experienced, top-tier-firm traders that would manage their funds and produce the guaranteed
3 profitability rates. Investors were allowed to choose among four different “portfolios” to be managed
4 by the traders and which would define their investment objectives: the Defined Risk Arbitrage
5 Portfolio, the Equity Portfolio, the High-Yield Bond Portfolio, and the Fx-Bond-Equity Futures
6 Portfolio. Traders were said to employ certain trading techniques including, “Basis Trading,
7 “Arbitrage Trading”, Calendar Spread Trading”, and “Yield Curve Trading” all of which were
8 designed to have defined risk and thereby limit the amount of risk on transactions.

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10 4. Calusa-investments.net offered and/or sold these securities over the Internet. The Department
11 of Corporations (“Department”) has not issued a certificate authorizing Calusa-investments.net or any
12 of its traders to effect any transaction in, or induce or attempt to induce the purchase or sale of, any
13 security in this state.

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15 5. In connection with these offers and sales, Calusa-investments.net misrepresented and/or
16 omitted to disclose to investors that:

- 17 a. it is the website of CALUSA Investments, LLC, located at 14040 Park Center
18 Road, Suite 300, Herndon, VA, 20171. In fact, CALUSA Investments, LLC is
19 located at that address, but Calusa-investments.net is not a website of CALUSA
20 Investments, LLC.
- 21 b. it holds a license from the Department, number 6038123 which allows it to trade
22 securities and engage in Forex trading. In fact, Department license number 603-
23 8123 is issued to CALUSA Investments, LLC to act as a consumer finance lender,
24 and is not issued to Calusa-investments.net, which holds no license from the
25 Department to offer or sell securities in this state.
- 26 c. they would be guaranteed a specific rate of return based on their chosen
27 investment packet or free trial investment.

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- 1 d. no commission is charged, although investors are only given one option of a
- 2 temporary free trial period.
- 3 e. they receive their returns directly in their “E-gold” investment account from which
- 4 they invest, but are then told that they have to deposit their investment monies into
- 5 Calusa-investment.net’s account before they can invest.
- 6 f. the Forex market is not subject to the same regulatory issues as the futures and
- 7 equity markets in the United States
- 8 g. Calusa-investments.net is one of the most secure and convenient investment
- 9 services on the Internet.

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11 Based upon the foregoing findings, the California Corporations Commissioner is of the
12 opinion that Calusa-investments.net has effected transactions in securities as a broker-dealer without
13 having first applied for and secured from the Commissioner a certificate authorizing it to act in that
14 capacity in violation of section 25210 of the Corporate Securities Law of 1968. Pursuant to section
15 25532 of the Corporate Securities Law of 1968, Calusa-investments.net is hereby ordered to desist
16 and refrain from effecting any transaction in, or inducing or attempting to induce the purchase or sale
17 of, any security in this state, unless and until it has applied for and secured from the Commissioner a
18 certificate, then in effect, authorizing it to act in that capacity, or unless exempt.

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20 Further, the California Corporations Commissioner is of the opinion that the securities of
21 Calusa-investments.net were offered or sold in this state by means of written or oral communications
22 which included an untrue statement of a material fact or omitted to state a material fact necessary in
23 order to make the statements made, in the light of the circumstances under which they were made, not
24 misleading, in violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to
25 section 25532 of the Corporate Securities Law of 1968, Calusa-investments.net is hereby ordered to
26 desist and refrain from offering or selling or buying or offering to buy any security in the State of
27 California by means of any written or oral communication which includes an untrue statement of a

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1 material fact or omits to state a material fact necessary in order to make the statements made, in the
2 light of the circumstances under which they were made, not misleading.

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

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7 Dated: June 29, 2006

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Sacramento, California

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PRESTON DuFAUCHARD
California Corporations Commissioner

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By _____
ALAN S. WEINGER
Supervising Attorney
Enforcement Division

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