

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

TO: **Robin Kyu Cho**
Citi Travelers Insurance Management
a.k.a. Citi Travelers Insurance and
Citi Travelers Scholarship Management
630 Masselin Avenue #140
Los Angeles, CA 90036

DESIST AND REFRAIN ORDER

(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times herein, Robin Kyu Cho (“Cho”) and Citi Travelers Insurance Management, a.k.a. Citi Travelers Insurance and Citi Travelers Scholarship Management (“Citi”) were located at 630 Masselin Avenue #140, Los Angeles, California 90036. Cho was the sole proprietor of Citi.

2. Beginning in around 1998 and continuing through at least December 2002, Cho offered and sold securities in the form of investment contracts comprised of pooled investor money that he said would be invested in stocks, bonds and commodities. Cho obtained investment money by soliciting unsophisticated friends and then their family members and friends, by offering 4%-6% interest monthly on investments in stocks, bonds and commodities, with a guaranteed return of initial investment at the end of the contract period upon request. Cho offered and sold securities to approximately 19 investors in the Korean-American community in excess of \$2.5 million.

3. In connection with the offer and sale of these securities, Cho and Citi made, or caused to be made, misrepresentations of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. These misrepresentations and omissions included, but are not limited to the following:

a. Investors were told that Cho and Citi guaranteed the reimbursement of their initial investment at the end of the payment period upon request;

- 1 b. Investors were told that the investment would earn 4%-6% per month;
- 2 c. Investors were not told that they were investing in a ponzi scheme and that any
- 3 returns received on their investment money came from other investor money and not from any
- 4 investment returns;
- 5 d. Investors were not told that Cho was investing their pooled money in risky
- 6 commodity futures and had been losing his own money since February 1996 and investor money
- 7 from 1998 through at least September 2002; and
- 8 e. Investors were either told that Cho was a licensed stock broker or not told that
- 9 Cho and Citi were not licensed to solicit investments.

10 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
11 that the securities in the form of investment contracts comprised of pooled investor money to
12 purchase commodity futures, stocks and bonds offered and sold by Cho and Citi are securities subject
13 to qualification under the California Corporate Securities Law of 1968 and are being or have been
14 offered or sold without being qualified, in violation of Section 25110 of the Corporate Securities Law
15 of 1968.

16 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Robin Kyu Cho and Citi
17 Travelers Insurance Management are hereby ordered to desist and refrain from the further offer or
18 sale in the State of California of securities, including, but not limited to investment contracts
19 comprised of pooled investor money to purchase commodity futures, stocks and bonds unless and
20 until qualification has been made under said law or unless exempt. The sale of such securities is
21 subject to qualification under said law and such securities are being or have been offered for sale
22 without first being so qualified.

23 Further, the California Corporations Commissioner is of the opinion that the securities offered
24 and sold by Cho and Citi were offered and sold in this state by means of written or oral
25 communications that included untrue statements of material fact or omitted to state material facts
26 necessary in order to make the statements made, in the light of the circumstances under which they
27 were made, not misleading, in violation of section 25401 of the Corporate Securities Law of 1968.

28

1 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Robin Kyu Cho and Citi
2 Travelers Insurance Management are hereby ordered to desist and refrain from offering or selling or
3 buying or offering to buy any security in the State of California, including, but not limited to,
4 investment contracts comprised of pooled investor money to purchase commodity futures, stocks and
5 bonds by means of any written or oral communication which includes an untrue statement of a
6 material fact or omits to state a material fact necessary in order to make the statements made, in the
7 light of the circumstances under which they were made, not misleading.

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

10 Dated: January 24, 2006
11 Los Angeles, California

12 WAYNE STRUMPFER
13 Acting California Corporations Commissioner

14 By _____
15 ALAN S. WEINGER
16 Acting Deputy Commissioner
17 Enforcement Division
18
19
20
21
22
23
24
25
26
27
28