



1           2.       On September 11, 2008, the Department of Business Oversight (“Department”) issued  
2 a Desist and Refrain Order against Management for violations of Corporation Code sections 25110,  
3 25401, 25210, 29535, and 29536 (“2008 Order”).

4           3.       At all relevant times, Derrick Stephens (“Stephens”) is the managing member of and a  
5 representative for Management. Stephen transacts business at 6601 Center Drive West, Suite 500,  
6 Los Angeles, California, 90045. Stephens also transacts business by email at dstephens10@live.com,  
7 by telephone at (310) 756-9720, and by facsimile at (770) 489-4916.

8           4.       At all relevant times, Olena Korneevets, also known as Lola Korneevets,  
9 (“Korneevets”) is an individual doing business as a representative and agent for service of process for  
10 Management. Korneevets transacts business at 127 Whitney Street, Unit 1, El Segundo, California,  
11 90245 or at 6601 Center Drive West, Suite 500, Los Angeles, California, 90045. Korneevets also  
12 transacts business by telephone at (310) 980-1940.

13           5.       Management, Stephens and Korneevets are herein collectively referred to as  
14 “Respondents.” Whenever reference is made herein to “Respondents” doing any act, the allegation  
15 shall mean the act of each respondent acting individually, jointly and severally.

16           6.       Beginning in February 2015, Respondents offered and sold investment agreements to  
17 investor V.L.V. domiciled in Rancho Cucamonga, Los Angeles County in violation of the 2008  
18 Order. The terms of the investment were as follows: Investor V.L.V. paid to Respondents a capital  
19 investment amount of two hundred ninety thousand dollars (\$290,000.00) for the purpose of investing  
20 in Management and other related business enterprises in exchange for a profit on the capital  
21 investment. Management sometimes referred to this investment as a “stand by letter of credit” in or  
22 with Management. Investor V.L.V. was to receive in return from Respondents, the entire principal  
23 capital investment of two hundred ninety thousand dollars (\$290,000.00), and an additional sixty  
24 three thousand dollars (\$63,800.00) as twenty two percent (22%) interest profit on the capital  
25 investment. Respondents referred to this first phase of investment as the “first tranche.” The second  
26 phase or “second tranche” of the investment was to consist of investor V.L.V. reinvesting the three  
27 hundred fifty three thousand eight hundred dollars (\$353,800.00) from the “first tranche” for an  
28 additional number of days. Investor V.L.V. was to receive a profit on the amount from the “second  
tranche” of one million eight hundred seventy one thousand and two hundred dollars (\$1,871,200.00).  
In all, investor V.L.V. was promised a sum of one million nine hundred thirty five thousand dollars  
(\$1,935,000.00) total as profit on the capital investment of two hundred ninety thousand dollars

1 (\$290,000.00). At all times during the investment, Respondents guaranteed the return of investor  
2 V.L.V.'s initial principal investment.

3 7. Beginning in 2015, Respondents offered and sold the above described securities in  
4 California in issuer transactions. The Department has not issued a permit or other form of  
5 qualification authorizing any person to offer and/or sell these securities in the form of investment  
6 agreements in California. Respondents are not exempt from the qualification requirements set forth  
7 in the Corporate Securities Law of 1968.

8 8. Beginning in 2015, in connection with the offer and sale of these securities,  
9 Respondents made, or caused to be made, misrepresentations of material fact or omitted to state  
10 material facts necessary in order to make the statements made, in the light of the circumstances under  
11 which they were made, not misleading. Specifically, Respondents misrepresented to investor V.L.V.  
12 that investor V.L.V. would receive a profitable return on investor V.L.V.'s investment, and would, at  
13 the minimum, receive the principal amount invested at the termination of the investment.  
14 Respondents also represented that "this investment had little or no risk only if the entire US financial  
15 system collapsed would the investment be at risk" [sic]. To date, investor V.L.V. has not received  
16 the principal amount or profits from the principal investment, despite repeatedly requesting the  
17 amount to be returned.

18 9. In addition, Respondents, in connection with the offer and sale of the security offered,  
19 omitted to state material facts necessary as follows: Respondents failed to disclose to investor V.L.V.  
20 the existence of the 2008 Order.

21 10. Corporations Code section 25110 prohibits the offering and/or selling securities that  
22 are not qualified by the Department or exempt.

23 11. Corporations Code section 25401 prohibits the offer and/or sale of securities in  
24 California by means of written or oral communications that include untrue statements of material fact  
25 or omits material facts necessary in order to make the statements made, in the light of the  
26 circumstances under which they were made, not misleading.  
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**II.**

**ORDER FOR ANCILLARY RELIEF**

Based on the foregoing findings of fact, Respondents have offered and sold securities in the form of an investment agreement to at least one (1) investor in an amount of at least two hundred ninety thousand dollars (\$290,000.00) in violation of Corporations Code sections 25110 and 25401.

**WHEREFORE**, good cause showing, and the Commissioner of Business Oversight having determined that this action is in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968, based on Respondents’ violations, the Commissioner hereby orders ancillary relief pursuant to Corporations Code section 25532, subdivision (e), individually, jointly and severally against Respondents and in favor of the Commissioner on behalf of the investors, as follows:

Full restitution made to investor V.L.V., domiciled in Rancho Cucamonga, Los Angeles County, consisting of investor V.L.V.’s investment principal in the amount of two hundred ninety thousand dollars (\$290,000.00) and interest at the legal rate accumulated on the investment principal from the first day investor V.L.V. tendered the investment principal to Respondents in February 2015, or according to proof, to be paid within ten (10) calendar days from the date the order for ancillary relief in the form of restitution is deemed final. Respondents shall make full restitution to investor V.L.V. by certified cashier’s check or bank wire transfer. Respondents shall submit proof of payment to investor V.L.V. to the Department of Business Oversight, Attn: Marisa I. Urteaga-Watkins, Counsel, 1515 K Street, Suite 200, Sacramento, CA 95814, immediately upon payment to investor V.L.V.

**III.**

**DESIST AND REFRAIN ORDER**

The Commissioner of Business Oversight is of the opinion that the investment agreements sold by D. Stephens Management and Consulting, L.L.C., Derrick Stephens, and Olena Korneevets, also known as Lola Korneevets, are securities subject to qualification pursuant to the Corporate Securities Law of 1968. These securities were offered and sold without being qualified or exempt, in violation of Corporations Code section 25110.

1 The Commissioner of Business Oversight is also of the opinion that the securities in the form  
2 of investment agreements, were offered or sold in California by means of a written or oral  
3 communication which included an untrue statement of material fact or omitted to state material fact  
4 necessary to make the statement made, in the light of the circumstances under which they were made,  
5 not misleading, in violation of Corporations Code section 25401 of the Corporate Securities Law of  
6 1968.

7 **IT IS HEREBY ORDERED EFFECTIVE IMMEDIATELY THAT:**

8 Pursuant to Corporations Code section 25532, D. Stephens Management and Consulting,  
9 L.L.C., Derrick Stephens, and Olena Korneevets, also known as Lola Korneevets are hereby  
10 ordered to desist and refrain from the further offer or sale in California of securities in the form of  
11 investment agreements, unless and until qualification has been made under said law or unless  
12 exempt.

13 Pursuant to Corporations Code section 25532 of the Corporate Securities Law of 1968, D.  
14 Stephens Management and Consulting, L.L.C., Derrick Stephens, and Olena Korneevets, also  
15 known as Lola Korneevets are also hereby ordered to desist and refrain from offering or selling or  
16 buying or offering to buy any security in California, including but not limited to investment  
17 agreements, by means of any written or oral communication which includes an untrue statement  
18 of material fact or omits to state a material fact necessary in order to make the statements made,  
19 in the light of circumstances under which they were made, not misleading.

20 This Order is necessary, in the public interest, for the protection of investors and consistent  
21 with the purposes, policies, and provisions of the Corporate Securities Law of 1968. This Order shall  
22 remain in full force and effect until further order of the Commissioner.

23 Dated: June 22, 2016  
24 Sacramento, California

JAN LYNN OWEN  
Commissioner of Business Oversight

25  
26 By \_\_\_\_\_  
27 MARY ANN SMITH  
28 Deputy Commissioner  
Enforcement Division