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California Corporations Commissioner
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9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **FOR THE COUNTY OF SAN DIEGO**

11 THE PEOPLE OF THE STATE OF
12 CALIFORNIA, by and through the
13 CALIFORNIA CORPORATIONS
COMMISSIONER,

14 Petitioner,

15 vs.

16 DIRECT CONTACT MEDIA, INC.

17 Respondent.

Case No.: 37-2010-00099822-CU-PT-CTL

**EX PARTE PETITION FOR AN ORDER
SETTING AN ORDER TO SHOW CAUSE
HEARING RE: FAILURE AND REFUSAL
TO COMPLY WITH SUBPOENA DUCES
TECUM**

**(CAL. CORP. CODE, § 25531; CAL. GOV.
CODE, §§ 11187 and 11188)**

Hearing Date: September 8, 2010
Hearing Time: 2:00 p.m.
Dept: 25
Judge: Hon. Richard S. Whitney

20 TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

21 YOU ARE HEREBY NOTIFIED that on the date and time and in the Department set forth
22 above, Petitioner, Preston DuFauchard, California Corporations Commissioner (“Commissioner”),
23 acting in the name of the People of the State of California, will submit an Ex Parte Petition for an
24 Order Setting an Order to Show Cause Hearing Re: Failure and Refusal to Comply with Subpoena
25 Ducus Tecum. The petition is based on the accompanying Memorandum of Points and Authorities,
26 declarations, and evidence in support thereof.

27 Petitioner, the Commissioner, by and through his attorney, alleges:

- 28 1. The Commissioner is head of the Department of Corporations (“Department”).

1 2. The Department is the state agency responsible for administering and enforcing the
2 Corporate Securities Law of 1968 (Cal. Corp. Code, § 25000 et seq.) (“CSL”), which regulates the
3 offer and sale of securities in California. The CSL also makes it unlawful for any person to engage in
4 the business of a securities broker-dealing in California without a license.

5 3. For the purpose of discovering violations of the CSL, the Commissioner has broad
6 authority to investigate possible violations of said law. The Commissioner is authorized to issue
7 administrative subpoenas for the production of documents and information as part of an inquiry
8 within the Department’s jurisdiction. (Cal. Corp. Code, § 25531; Cal. Gov. Code, §§ 11180, 11181.)

9 4. The Department is informed and believes that Direct Contact Media, Inc., its
10 employees, representatives or agents (“RESPONDENT”) may be engaged in violations of the CSL.

11 5. On or about June 3, 2010, in the course of a lawful investigation into possible
12 violations of the CSL, the Department issued an administrative subpoena on RESPONDENT. The
13 subpoena required the production of certain documents and information related to RESPONDENT’S
14 business activities and relevant to the Department’s investigation, by July 15, 2010.

15 6. On or about June 3, 2010, the subpoena was served on RESPONDENT.

16 7. As of the date of this Petition, RESPONDENT has failed and refused to produce all
17 documents and information requested in the subpoena. RESPONDENT has also failed to contact the
18 Department to request more time to respond to the subpoena or indicate documents are forthcoming.

19 WHEREFORE, Petitioner, the Commissioner, respectfully requests that this Court:

20 1. Set an Order to Show Cause hearing, pursuant to California Government Code section
21 11188, as to why RESPONDENT, Direct Contact Media, Inc., has not complied with the subpoena;
22 and

23 2. At the Order to Show Cause hearing, order RESPONDENT, Direct Contact Media,
24 Inc., to produce all the documents and information requested in the subpoena.

25 Dated: August 31, 2010

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
ALEX CALERO
Attorney for the People of California