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

TO: Galaxy Resources 2000, LLC
Charles A. DeFazio
1584 Via Botero
Oceanside, CA 92056

DESIST AND REFRAIN ORDER
(For violations of California Corporations Code section 25110)

The California Corporations Commissioner finds that:

1. Galaxy Resources 2000, LLC is, and was at all relevant times herein, a Nevada limited liability company, with its principal place of business located at 1584 Via Botero, Oceanside, CA 92056.
2. Charles A. DeFazio (“DeFazio”) is, and was at all relevant times herein, the sole manager and control person of Galaxy Resources 2000, LLC.
3. Beginning in or about April 2005 and continuing through approximately December 2005, Galaxy Resources 2000, LLC and DeFazio offered and sold securities in the form of participation interests in a commodity pool for the purpose of trading in commodity futures and foreign currency markets. At least 12 California residents invested at least \$283,000 with DeFazio.
4. These securities were offered or sold in this state in issuer transactions. The Department of Corporations has not issued a permit or other form of qualification authorizing any person to offer and sell these securities in this state.

Based on the foregoing findings, the California Corporations Commissioner is of the opinion that the securities in the form of investment contracts, i.e., participation interests in a commodity pool, that were offered or sold in issuer transactions are securities subject to qualification under the California Corporate Securities Law of 1968, and are being or have been offered or sold without being qualified, in violation of Section of 25110 of the Corporate Securities Law of 1968.

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Pursuant to Section 25532 of the Corporate Securities Law of 1968, Galaxy Resources 2000, LLC and Charles A. DeFazio are hereby ordered to desist and refrain from the further offer or sale in the State of California of securities, including but not limited to, investment contracts in the form of participation interests in a commodity pool, unless and until qualification has been made under the law or unless exempt.

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

Dated: August 7, 2006
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Supervising Attorney

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

TO: Galaxy Resources 2000, LLC
Charles A. DeFazio
1584 Via Botero
Oceanside, CA 92056

DESIST AND REFRAIN ORDER
(For violations of California Corporations Code sections 29535 and 29536)

The California Corporations Commissioner finds that:

1. Galaxy Resources 2000, LLC is, and was at all relevant times herein, a Nevada limited liability company, with its principal place of business located at 1584 Via Botero, Oceanside, CA 92056.
2. Charles A. DeFazio (“DeFazio”) is, and was at all relevant times herein, the sole manager and control person of Galaxy Resources 2000, LLC.
3. Beginning in or about April 2005 and continuing through approximately December 2005, Galaxy Resources 2000, LLC and DeFazio offered and sold participation interests in a commodity pool for the purpose of trading in commodity futures and foreign currency markets. At least 12 California residents invested at least \$283,000 with DeFazio.
4. Galaxy Resources 2000, LLC was the commodity pool operator and DeFazio told investors that he was the commodity trading adviser for Galaxy Resources 2000, LLC. Therefore, Galaxy Resources 2000, LLC and Charles A. DeFazio were commodity merchants as defined in section 29509 of the California Commodity Law of 1990.
5. Investors entered into 90-day contracts with Galaxy Resources 2000, LLC and DeFazio and were promised returns ranging between 3-25%.
6. In September 2005, DeFazio told many of the participants that the Galaxy Resources 2000, LLC commodity pool was completely wiped out with losses of \$826,337.10.

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- 1 7. In connection with the offers and sales of the participation interests, Galaxy
2 Resources 2000, LLC and DeFazio willfully made the following untrue statements to investors:
- 3 a. DeFazio was a licensed Series 3 Futures and Options Specialist who was
4 registered with the National Futures Association and the Commodity Futures
5 Trading Commission;
 - 6 b. Galaxy Resources 2000, LLC was exempt from registration as a commodity pool
7 operator with the Commodity Futures Trading Commission under the Commodity
8 Exchange Act;
 - 9 c. Galaxy Resources 2000, LLC and DeFazio have been active and successful
10 traders in the commodity futures market since 1987;

11 Based upon the foregoing, the California Corporations Commissioner is of the opinion, that
12 Galaxy Resources 2000, LLC and Charles A. DeFazio engaged in business or acted as a commodity
13 merchant without being registered with the Commodity Futures Trading Commission in violation of
14 section 29535 of the California Commodity Law of 1990.

15 The California Corporations Commissioner is also of the opinion, that, in connection with the
16 offers and sales of the participation interests in the Galaxy Resources 2000, LLC commodity pool,
17 Galaxy Resources 2000, LLC and Charles A. DeFazio willfully made untrue statements of material
18 fact and/or omitted to state material facts necessary in order to make the statements made, in light of
19 the circumstances under which they were made, not misleading in violation of section 29536 of the
20 California Commodity Law of 1990.

21 Pursuant to Section 29542 of the California Commodity Law of 1990, Galaxy Resources
22 2000, LLC and Charles A. DeFazio are hereby ordered to desist and refrain from engaging in
23 business or otherwise acting as a commodity merchant unless and until they are in compliance with
24 Corporations Code Section 29535.

25 Pursuant to Section 29542 of the California Commodity Law of 1990, Galaxy Resources
26 2000, LLC and Charles A. DeFazio are hereby ordered to desist and refrain from purchasing or
27 selling, offering to sell or to purchase, offering to enter into, or entering into a commodity,
28 commodity contract or commodity option in the State of California, involving investment accounts

1 for trading in foreign currency, by employing any untrue statement of material fact or omitting to
2 state a material fact necessary in order to make statements made, in light of the circumstances under
3 which they were made, not misleading.

4 This Order is necessary, in the public interest, for the protection of investors and is consistent
5 with the purposes, policies and provisions of the California Commodity Law of 1990.

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Dated: August 7, 2006
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Supervising Attorney