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8 Attorneys for the People of the State of California

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
10 FOR THE COUNTY OF SANTA CRUZ

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

14 Plaintiff,

15 v.

16 EYE POCKET MEDIA, INC., a California  
17 corporation; WILLIAM NORRIS HERRED, as  
18 an individual; RONALD HOPPING and DOES  
19 1 through 10, inclusive,

20 Defendants.

) Case No.: 15CV00298

) COMPLAINT FOR PERMANENT  
) INJUNCTION; CIVIL PENALTIES AND  
) ANCILLARY RELIEF

) VIOLATIONS OF CORPORATIONS CODE  
) SECTION 25110  
) (UNQUALIFIED SALES OF SECURITIES)

) VIOLATIONS OF CORPORATIONS CODE  
) SECTION 25401  
) (FRAUD IN CONNECTION WITH THE  
) OFFER AND SALE OF SECURITIES)

) VIOLATIONS OF ORDER ISSUED BY THE  
) COMMISSIONER OF BUSINESS  
) OVERSIGHT PURSUANT TO  
) CORPORATIONS CODE SECTIONS 25532  
) AND 25530 (a).

26  
27 Plaintiff, The People of the State of California, by and through Jan Lynn Owen,  
28 Commissioner of Business Oversight (“Plaintiff”, “the People” or “the Commissioner”), acting to

1 protect the public from unlawful and fraudulent sale of securities, brings this action in the public  
2 interest and alleges upon information and belief:

3 **VENUE AND JURISDICTION**

4 1. The Commissioner brings this action to enjoin Defendants: Eye Pocket Media, Inc., a  
5 California corporation; William Norris Herred an individual; Ronald Hopping an individual; and  
6 Does 1 through 10, inclusive (collectively “the Defendants”), from violating provisions of the  
7 California Corporate Securities Law of 1968 (“CSL”) (Corp. Code, § 25000 et seq.) and to request  
8 necessary equitable and ancillary relief.

9 2. The Commissioner is the head of the Department of Business Oversight  
10 (“Department”). The Department is the state agency that regulates, among other things, the offer  
11 and sale of securities in California. (Corporations Code, § 25100, et seq.)

12 3. The Commissioner brings this action pursuant to Corporations Code sections 25530  
13 and 25535 and Government Code section 11180, et seq., in her capacity as head of the Department.

14 4. The Defendants have unlawfully offered or sold securities in violation of the CSL.  
15 The Defendants’ unlawful offers and sales of securities took place within Santa Cruz County.  
16 Violations of the CSL described herein occurred and will continue to occur within Santa Cruz  
17 County and elsewhere unless enjoined.

18 **THE DEFENDANTS**

19 5. Defendant Eye Pocket Media, Inc. (“Eye Pocket”) is a California corporation, formed  
20 in March 2008 with a primary business address at 3065 Porter Street, Suite 103, Soquel, California  
21 95073. Documents filed with the California Secretary of State and the Department of Business  
22 Oversight list other business addresses for Eye Pocket as follows: 3090 Aguazul Drive, Soquel,  
23 California 95073, and 323 Porter Street, Hanford, California 93230. At all relevant times, Eye  
24 Pocket transacted business within and from California directly and through the individual defendants  
25 William Norris Herred (“Herred”) and Ronald Hopping (“Hopping”). These business activities  
26 included offering and selling securities in the form of promissory notes, common stock and  
27 investment contracts to investors.  
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1           6. Defendant William Norris Herred (“Herred”) is an individual and a resident of  
2 Hanford, California. At all relevant times, Herred conducted business in the county of Santa Cruz in  
3 various capacities. The People are informed and believe, and thereon allege that at all relevant  
4 times, Herred acted as the founder, inventor, chief technology officer, and undisclosed “control”  
5 person of Eye Pocket within the meaning of Corporations Code sections 160, subdivision (a), and  
6 25403.

7           7. Defendant Ronald Hopping (“Hopping”) is an individual and a resident of Soquel,  
8 California. At all times relevant hereto, Hopping conducted business in the county of Santa Cruz in  
9 various capacities including, the following: Hopping was the president of Eye Pocket and solicited  
10 persons to invest in Eye Pocket.

11           8. Defendants DOES 1 through 10 are persons, corporations, partnerships, agents,  
12 affiliates, employees of the Defendants, the attorneys and others who participated with them, who  
13 have done, or will do acts otherwise alleged in this Complaint. The People are informed and believe,  
14 and based on such information and belief allege, that Defendants Does 1 through 10 inclusive, at all  
15 times mentioned herein, have acted and are continuing to act in concert with the Defendants named  
16 herein, and that each of them has participated in the acts and transactions which are the subjects of  
17 this Complaint. The true names and capacities of Does 1 through 10, whether individual, corporate,  
18 or otherwise, are unknown to the People, who therefore sue such Defendants under such fictitious  
19 names, pursuant to the provisions of Code of Civil Procedure section 474. The People ask leave of  
20 the court to amend the Complaint to allege the true names and capacities of such Defendants at such  
21 time as the same have been ascertained.

22           9. The People are informed and believe and based on such information and belief allege  
23 that, at all times herein mentioned, the Defendants named as officers, directors, agents or employees,  
24 acted in such capacities in connection with the acts, practices and schemes of the business as set  
25 forth below.

26           10. Whenever any allegation is made in the Complaint to “the Defendants” doing any act,  
27 the allegation shall mean the act of each Defendant acting individually, jointly, and severally and the  
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1 conspiring of these Defendants to so act. Each Defendant alleged to have committed any act did so  
2 pursuant to and in furtherance of a common plan, scheme and conspiracy to violate the provisions of  
3 the CSL, and as an agent for each and every co-Defendant.

4 11. Whenever any allegation is made in this Complaint to any of the corporate entity  
5 Defendants doing any act, the allegation shall mean acts done or authorized by the officers,  
6 managers, directors, members, agents, and employees of the business entity Defendants while  
7 actively engaged in the management, direction, or control of the affairs of the business entity  
8 Defendants, and while acting within the course and scope of their employment.

9 12. The People are informed and believe and based on such information and belief allege  
10 that at all times herein mentioned, each and every Defendant directly or indirectly controlled other  
11 co-Defendants by knowingly inducing, or by knowingly providing substantial assistance to, other co-  
12 Defendants to violate the provisions of the CSL, as alleged in the Complaint within the meaning of  
13 section 25403.

14 13. At all times herein mentioned, each Defendant was the alter-ego, agent, servant,  
15 employee, employer, partner and/or joint venture of each of their co-Defendants, and, in performing  
16 the acts herein alleged, was acting within the course and scope of such relationship, agency and/or  
17 employment with the advance knowledge, acquiescence or subsequent ratification of each and every  
18 remaining co-Defendant when engaged in the conduct herein alleged.

19 14. The People are informed and believe and based on such information and belief, allege  
20 that at all times herein mentioned there has been a unity of interest and ownership between the  
21 Defendants such that any individuality and separateness between the Defendants has ceased to exist.  
22 Further, Defendant Eye Pocket was so influenced and controlled by Herred and Hopping in the  
23 conduct of its business and affairs, that adherence to the fiction of separate corporate and individual  
24 existence would serve to work an injustice upon the public.

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**STATEMENT OF FACTS**

**Herred Censured by National Association of Securities Dealers**

15. From approximately June 1993 through May 1994, Herred was employed as a general securities representative and general securities principal with Talley, King & Co., Inc., formerly a licensed brokerage firm until expelled from the securities industry in October 2000 by the National Association of Securities Dealers, Inc.<sup>1</sup> (“NASD”).

16. In or around December 1995, the NASD commenced a disciplinary action against Herred, alleging that from June 1993 to August 1993, Herred solicited customers to purchase shares of stock and in connection with these transactions, customers were charged more than a fair mark-up on each share. Herred failed to disclose to investors that these mark-ups were unfair.

17. On January 23, 1996, NASD and Herred entered into a Letter of Acceptance, Waiver and Consent in which Herred consented to the imposition of a censure, to pay a \$5,000.00 fine, and to reimburse customers in the amount of \$22,427.14 within ninety days (hereinafter the “NASD Censure”).

18. On September 29, 1997, Herred’s registration with the NASD was revoked for failure to pay fines, costs, and/or provide proof of restitution.<sup>2</sup>

**Herred Ordered to Cease Unlawful Offers and Sales of Securities in California**

19. On May 31, 2006, pursuant to CSL sections 25110 and 25401, the Commissioner of the Department of Corporations<sup>3</sup> issued a Desist and Refrain Order (hereinafter the “2006 Order”)

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<sup>1</sup> The NASD and the member regulation, enforcement and arbitration operations of the New York Stock Exchange merged on July 30, 2007 to form the Financial Industry Regulatory Authority (“FINRA”), a non-governmental, self-regulatory organization for securities brokers and dealers doing business in the United States.

<sup>2</sup> The NASD revocation of registration was rescinded on December 5, 1997.

<sup>3</sup> Effective July 1, 2013 the Department of Corporations and Department of Financial Institutions combined and became the Department of Business Oversight within the Business, Consumer Services and Housing Agency pursuant to the Governor’s Reorganization Plan (G.R.P.) No. 2 of 2012. (See Gov. Code, §§ 12080.2, 12080.5.) The Corporations Commissioner is now the Commissioner of Business Oversight.

1 directing Herred to desist from selling or offering unqualified non-exempt securities and from  
2 offering or selling securities by means of fraud in violation of CSL sections 25110 and 25401.

3 20. The 2006 Order alleged that, beginning in or around June 2004, Shoreline Messaging  
4 Systems, Inc. dba BRE Consulting Group, Inc. dba M411 Media Group (“Shoreline”), Herred, chief  
5 operating officer of Shoreline, and Scott Lyman Warren, president and chief executive officer of  
6 Shoreline, unlawfully offered and sold unqualified stock in Shoreline in violation of CSL section  
7 25110 and did so by using untrue statements and/or misrepresentations or omissions of material facts  
8 in violation of CSL section 25401.

9 21. The 2006 Order further alleged, among other things, that Shoreline, Herred, and  
10 Warren omitted to disclose to investors that:

- 11 a. In 1996 the NASD ordered Herred to pay a fine of \$5,000.00 and to reimburse  
12 customers \$22,427.14 for charging customers more than a fair markup in the sale  
13 of securities, and failing to disclose to customers that the markups were unfair.
- 14 b. Herred’s registration with NASD was revoked in 1997 after Herred failed to pay  
15 fines, costs, and/or provide proof of restitution in connection with the violations.

16 22. The 2006 Order further alleged that Herred misrepresented to Shoreline investors that  
17 the common stock he was selling was in fact owned by Herred and not being issued by Shoreline.

18 23. Following proper service of the 2006 Order on June 10, 2006, Herred did not request  
19 a hearing and pursuant to CSL section 25532, the 2006 Order became final.

20 **The Defendants Began Unlawful and Fraudulent Sales of Eye Pocket Securities**

21 24. In or around March 2008, Herred founded Eye Pocket, a digital advertising start-up  
22 company.

23 25. In or around the fall of 2008, Herred and his now deceased wife, Martha Herred  
24 (“Martha Herred”) hired Hopping as Eye Pocket’s president with the understanding that as president,  
25 Hopping would solicit and refer investors to Herred and Martha Herred who would provide more  
26 information about the investment.

1           26.     In or around the fall of 2008 through in or around August 2010, notwithstanding the  
2 NASD Censure and 2006 Order against Herred, the Defendants offered and sold securities to  
3 approximately 24 investors and raised at least \$350,500.00.

4           27.     The Defendants offered to prospective investors a one year promissory note with a  
5 minimum investment of \$7,500.00 and an interest rate of 10% per annum (“note”). In addition to the  
6 note, investors also received between 1% to 10% of the Eye Pocket outstanding common shares.

7           28.     The Defendants represented to potential investors that the purpose of the investment  
8 was to help raise funds to launch Eye Pocket, a custom mobile website builder, and Zolowag, a  
9 proprietary digital marketing application aimed at teens using America Online (“AOL”) Instant  
10 Messenger buddy lists. The Defendants represented that Eye Pocket was expected to launch within  
11 thirty days from the funding date.

12           29.     The Defendants provided investors with promotional materials including a prospectus  
13 and publicly available YouTube videos explaining how Eye Pocket works.

14           30.     The Defendants provided investors with financial projections, which indicated that  
15 Eye Pocket would generate \$1,480,050.00 in the first year, \$42,684,642.00 in the second year, and  
16 \$75,304,944.00 in the third year, and Zolowag would generate \$5,683,440.00 in the first year,  
17 \$37,562,802.00 in the second year, and \$48,195,571.00 in the third year. The Defendants did not  
18 provide prospective investors with any support for these projections, nor did they explain how the  
19 projections were derived. The Defendants did not provide prospective investors with the likelihood  
20 that such projections could be reached, nor any information about the risks associated with reaching  
21 the projections.

22           31.     Despite the Defendants’ projections and representations, most, if not all, of the  
23 investors received little to no return of their investment principal. Some of the investors heard  
24 nothing further from the Defendants after their initial investment.

25           32.     In or about June, 2010, Herred contacted Eye Pocket investors demanding more  
26 capital and claiming that Eye Pocket was on the brink of bankruptcy and that shareholders would be  
27 personally liable for payment of his wages and taxes if more money was not invested.  
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1           33.     The Defendants did not disclose to prospective Eye Pocket investors that Herred had  
2 been censured by the NASD for charging clients excessive mark-up fees.

3           34.     The Defendants did not disclose to prospective Eye Pocket investors that Herred was  
4 subject to the 2006 Order.

5                   **The Securities Defendants Sold in Eye Pocket Are Unqualified and Non-Exempt**

6           35.     CSL section 25110 prohibits the offer and sale of unqualified, non-exempt securities  
7 in any issuer transaction in this state.

8           36.     The promissory notes and common shares in Eye Pocket sold by Defendants are  
9 “securities” subject to qualification under the CSL (Corp. Code, § 25000 et seq.).

10          37.     The Defendants “offered and sold” the securities referred to herein in the state of  
11 California within the meaning of CSL, sections 25008 and 25017.

12          38.     The Eye Pocket promissory notes and common shares the Defendants offered and  
13 sold were not qualified or exempt. The Commissioner has not issued a permit or other form of  
14 qualification authorizing the Defendants, and each of them, to offer and sell the promissory notes  
15 and common shares of Eye Pocket in the state of California.

16          39.     Eye Pocket filed a Notice of Transaction with the Department of Corporations,  
17 claiming that the offerings were exempt pursuant to CSL, section 25102, subdivision (f), however  
18 this exemption was unavailable to these Defendants because they solicited investors on the internet  
19 and by means of general solicitation.

20          40.     The Defendants offered and sold the Eye Pocket securities to investors with whom  
21 the Defendants had no preexisting business or personal relationship within the meaning of the CSL  
22 section 25102, subdivision (f). As such, the securities do not meet an exemption to the qualification  
23 requirement under section 25110.

24                                   **FIRST CAUSE OF ACTION**

25                                   **OFFER AND SALE OF UNQUALIFIED, NON-EXEMPT SECURITIES**

26                                   **IN VIOLATION OF CALIFORNIA CORPORATIONS CODE SECTION 25110**

27                                   **(Alleged Against All Defendants)**



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41. The People incorporate by reference paragraphs 1 through 40 of this Complaint as though fully set forth herein.

42. CSL section 25110 provides, in pertinent part:

It is unlawful for any person to offer or sell in this state any security in an issuer transaction ... unless such sale has been qualified under Section 25111, 25112, or 25113 ... or unless such security or transaction is exempted or not subject to qualification under Chapter 1 (commencing with Section 25100) of this part.

43. The Eye Pocket promissory notes and common shares offered and sold by the Defendants are “securit[ies]” under CSL section 25019 and are therefore subject to qualification under the CSL section 25110.

44. Commencing at least as early as the fall of 2008 through in or around August 2010, the Defendants offered and sold the Eye Pocket securities in the form of promissory notes and common shares in “issuer transactions” in the State of California, within the meaning of CSL sections 25008, 25010, 25011, and 25017.

45. The offer and sale of securities by the Defendants is not exempt from the requirement of qualification under CSL section 25110.

46. Unless enjoined by this Court, the Defendants will continue to violate CSL section 25110.

**SECOND CAUSE OF ACTION**

**MISREPRESENTATIONS OR OMISSIONS OF MATERIAL**

**FACTS IN VIOLATION OF CALIFORNIA CORPORATIONS CODE SECTION 25401**

**(Alleged Against All Defendants)**

47. The People incorporate by reference paragraphs 1 through 46 of this Complaint as though fully set forth herein:

48. CSL section 25401 provides in pertinent part:

It is unlawful for any person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to ... make an untrue statement of material fact or omit to state a material fact necessary to

1 make the statements made, in light of the circumstances under which they  
2 were made, not misleading.

3 49. In offering and selling the securities referred to herein, the Defendants made untrue  
4 statements or misrepresentations, and omitted to state, material facts to prospective Eye Pocket  
5 investors. The Defendants' misrepresentations and omissions of material facts included, but are not  
6 necessarily limited to, the following:

- 7 a. Failure to disclose that in or about January 23, 1996, the NASD ordered Herred to  
8 pay a fine of \$5,000.00 and to reimburse customers \$22,427.14 for charging  
9 customers more than a fair markup in the sale of securities, and failing to disclose  
10 to customers that the markups were unfair;
- 11 b. Failure to disclose that in 1997, Herred's registration with the NASD was revoked  
12 for failure to pay fines, costs, and/or provide proof of restitution, even though the  
13 revocation was subsequently rescinded;
- 14 c. Failure to disclose that in or about May 31, 2006, the Commissioner issued a  
15 Desist and Refrain Order to Herred for offering and selling unqualified non-  
16 exempt securities through means of fraud in the State of California in violation of  
17 CSL, sections 25110 and 25401;
- 18 d. Failure to disclose the justification of Eye Pocket's projected revenues of  
19 \$1,480,050.00 in its first year of operation; \$42,684,642.00 in the second year of  
20 operation; and \$75,304,944.00 in the third year of operation or the risks  
21 associated with the projected revenues;
- 22 e. Misrepresented that Eye Pocket had a unique relationship with AOL and an  
23 exclusive relationship with Clickbooth, when they did not;
- 24 f. Misrepresented that Eye Pocket would launch within two weeks to one month of  
25 funding and was projected to make millions of dollars in the first year, when in  
26 reality, Eye Pocket had not yet been developed and was not ready to launch; and  
27 in fact, never launched;
- 28 g. Misrepresented that there were no risks involved; and

1 h. Misrepresented that large corporations such as Toyota were already signed up as  
2 advertisers.

3 50. The misrepresentations or omissions the Defendants made in connection with the  
4 offers and sales of securities were “material facts” within the meaning of CSL, section 25401,  
5 because they concerned matters that a “reasonable investor” would consider in deciding whether to  
6 invest.

7 51. Unless enjoined by this Court, the Defendants and each of them will continue to  
8 violate CSL, section 25401.

9 **THIRD CAUSE OF ACTION**

10 **VIOLATION OF THE COMMISSIONER’S ORDER**

11 **(Alleged Against Defendant Herred)**

12 52. The People incorporate by reference paragraphs 1 through 51 of this Complaint as  
13 though fully set forth herein.

14 53. CSL section 25532(a) provides in pertinent part:

15 If, in the opinion of the commissioner, (1) the sale of a security is subject  
16 to qualification under this law and it is being or has been offered or sold  
17 without first being qualified, the commissioner may order the issuer or  
18 offeror of the security to desist and refrain from the further offer or sale of  
19 the security until qualification has been made under this law or (2) the sale  
20 of a security is subject to the requirements of Section 25100.1, 25101.1, or  
21 25102.1 and the security is being or has been offered or sold without first  
22 meeting the requirements of those sections, the commissioner may order  
23 the issuer or offeror of that security to desist and refrain from the further  
24 offer or sale of the security until those requirements have been met.

25 54. CSL section 25532(c) provides, in pertinent part:

26 If, in the opinion of the commissioner, a person has violated or is violating  
27 Section 25401, the commissioner may order that person to desist and  
28 refrain from the violation.

55. CSL section 25530(a) provides, in pertinent part:

Whenever it appears to the commissioner that any person has engaged, is  
engaging, or is about to engage in any act or practice constituting a  
violation of any provision of this division or any rule or order hereunder,

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the commissioner may in the commissioner’s discretion bring an action in the name of the people of the State of California in the superior court to enjoin the acts or practices or to enforce compliance with this law or any rule or order hereunder.

56. On May 31, 2006, the Commissioner issued a Desist and Refrain Order against Herred directing him to stop offering or selling of unqualified, non-exempt securities by means of fraud in the State of California in violation of CSL, sections 25110 and 25401.

57. Despite the 2006 Order Herred again violated CSL sections 25110 and 25401 by offering and selling non-exempt securities by means of fraud and is violating the 2006 Order.

58. Unless enjoined by this Court, Defendant Herred will continue to violate the 2006 Order.

**PRAYER FOR RELIEF**

WHEREFORE, the People pray for a final judgment against all Defendants, as follows:

**I. INJUNCTIVE RELIEF:**

For a permanent injunction enjoining, the Defendants: Eye Pocket Media, Inc., a California corporation, William Norris Herred and Ronald Hopping and such Does as may subsequently be named, and each of them, their officers, directors, successors in interest, agents, employees, attorneys in fact, and all persons acting in concert or participating with them, or any of them, from directly or indirectly:

A. Violating Corporations Code section 25110, by offering to sell, selling, arranging for the sale of, issuing, engaging in the business of selling, negotiating for the sale of, or otherwise in any way dealing or participating in the offer or sale of, any security of any kind, including but not limited to the securities described in this Complaint, unless such security or transaction is qualified or exempted or not subject to qualification;

B. Violating Corporations Code section 25401 by offering to sell or selling any security of any kind, including but not limited to, the securities described in this Complaint, by means of any written or oral communication which includes any untrue statement

1 of material fact or omits or fails to state any material fact necessary in order to make  
2 the statements made, in the light of the circumstances under which they are made, not  
3 misleading, including but not limited to the misrepresentations and omissions alleged  
4 in this Complaint;

5 C. As to Defendant Herred, violating the 2006 Order;

6 D. Removing, destroying, mutilating, concealing, altering, transferring, or otherwise  
7 disposing of, in any manner, any books, records, computer programs, computer files,  
8 computer printouts, correspondence, e-mails, phone text messages, brochures,  
9 manuals, or any other “writings” or “documents” of any kind as defined under  
10 Evidence Code section 250, relating to the transactions and course of conduct as  
11 alleged in the complaint in this action, unless authorized by this Court;

12 E. Transferring, changing, disbursing, selling, dissipating, converting, pledging,  
13 assigning, foreclosing, or otherwise disposing of any real property or personal  
14 property in their possession or under their control, or in the possession of, or under  
15 the control of, any of the Defendants, which property or other assets were derived or  
16 emanated from directly, or indirectly, the sale and issuance of securities as alleged in  
17 this Complaint, without leave of the Court; and

18 F. Withdrawing, transferring, changing, disbursing, dissipating, converting, pledging, or  
19 assigning any funds or other assets which were derived or emanated, directly or  
20 indirectly, from the offer or sale of securities as alleged in this Complaint, from any  
21 accounts at any bank, savings and loan association, broker-dealer or any other  
22 financial institution in the name of any of the Defendants, or controlled by any of the  
23 Defendants, without leave of the Court.

24 **II. RESCISSION, RESTITUTION, AND DISGORGEMENT**

25 For a Final Judgment requiring the Defendants: Eye Pocket Media, Inc., a California  
26 corporation, William Norris Herred, Ronald Hopping and such Does as may be subsequently named,  
27 and each of them, individually, jointly and severally, to:  
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- A. Rescind each and every unlawful transaction alleged in this Complaint, pursuant to Corporations Code section 25530, subdivision (b), as shall be determined by this Court to have occurred;
- B. To pay full restitution to each person determined to have been subject to acts, practices, or transactions which constitute violations of the CSL, in an amount of at least \$350,500.00 to the 24 known investors, or according to proof;
- C. To disgorge to all known investors all benefits received, including but not limited to, salaries, commissions, fees, profits and any other remuneration, derived directly or indirectly, from the actions or practices which constitute violations of the CSL;
- D. To pay the legal rate of interest on the principal amount invested by each and every investor from the date of their investments to the date of judgment herein;

**III. ATTORNEY’S FEES AND COSTS**

- E. To pay to the People attorney fees, investigative expenses, and costs in an amount of \$39,000.00, or according to proof.

**IV. CIVIL PENALTIES**

For a Final Judgment requiring the Defendants: Eye Pocket Media, Inc. a California corporation, William Norris Herred, Ronald Hopping and such Does as may be subsequently named, and each of them, to pay to the People, by and through the Department of Business Oversight, the amount of \$25,000.00 as a civil penalty for each act in violation of the CSL, as authorized by Corporations Code section 25535; in an amount of at least \$1,200,000.00 or according to proof.

Dated: November 13, 2015  
Los Angeles, California

Respectfully submitted,

JAN LYNN OWEN  
Commissioner of Business Oversight

By: \_\_\_\_\_  
UCHE L. ENENWALI  
Senior Counsel  
Attorney for the People of California