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

TO: Luis Fernandez
Fernandez Financial, Inc.
1024 Iron Point Road
Folsom, CA 95630

554 Porter Court
Folsom, CA 95630

2149 Hidden Falls Drive
Folsom, CA 95630

DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Fernandez Financial, Inc. (“Fernandez Financial”) is and was, at all relevant times, a California corporation, with its principal place of business at 1024 Iron Point Road Folsom, California 95630.
2. Luis Fernandez (“Fernandez”) is and was, at all relevant times, the President of Fernandez Financial.
3. From at least October 2007, Fernandez and Fernandez Financial offered securities in the form of stock in Fernandez Financial.
4. Fernandez informed investors that they would receive 1%-3% return on investment each month. He told investors that their money was invested in the stock market and that he had control over all of the investment funds.
5. Fernandez informed investors that there was a risk of loss of investment, but that no one had ever lost any money investing with him. He stated that he had seven years of experience in investing and had many investor clients who kept their money with him.
6. Fernandez stated that the investors could request a return of their principal at any time.

1 7. By March of 2009, after making some interest payments to investors over time, Fernandez
2 informed investors that he “never made any money in the stock market” and that their money was
3 gone and could not be returned.

4 8. These investments are securities under the California Corporate Securities Law of 1968
5 (“CSL”) and were offered or sold in this state in an issuer transaction.

6 9. The Department of Corporations has not issued a permit or other form of qualification
7 authorizing any person to offer or sell these securities in this state.

8 10. In connection with the offers and sales of these securities, Fernandez and Fernandez Financial
9 made untrue statements of material facts, including that Fernandez had never lost money in his
10 investments, that the investments would be conservative and safe, that the possibility of loss of
11 investor money was minimal, and that investors’ principal investment would be returned in full at
12 their request.

13 The California Corporations Commissioner is of the opinion that the stock of Fernandez
14 Financial, Inc. offered by Luis Fernandez and Fernandez Financial, Inc. are securities subject to
15 qualification under the CSL and are being or have been offered or sold without being qualified or
16 exempt, in violation of section 25110 of the CSL. The California Corporations Commissioner is of
17 the further opinion that the securities were offered or sold by means of written or oral
18 communications that included untrue statements of material facts, in violation of section 25401 of the
19 Corporations Code.

20 Pursuant to section 25532 of the CSL, Fernandez Financial, Inc. and Luis Fernandez are
21 hereby ordered to desist and refrain from the further offer or sale in the State of California of
22 securities, including but not limited to stock in Fernandez Financial, Inc., unless and until
23 qualification has been made under said law or unless exempt. In addition, Fernandez Financial, Inc.
24 and Luis Fernandez are hereby ordered to desist and refrain from offering or selling securities,
25 including but not limited to stock in Fernandez Financial, Inc., in this state by means of any written
26 or oral communication which includes an untrue statement of a material fact or omits to state a
27 material fact necessary in order to make the statements made, in light of the circumstances under
28 which they are made, not misleading.

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

Dated: December 8, 2009
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner