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California Corporations Commissioner
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7 Attorneys for Complainant

8
9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA

10 In the Matter of	)	CASE NO.
)	
11 THE CALIFORNIA CORPORATIONS)	
12 COMMISSIONER,	)	1) STATEMENT IN SUPPORT OF
	)	ORDER LEVYING ADMINISTRATIVE
13 Complainant,	)	PENALTIES PURSUANT TO
	)	CORPORATIONS CODE
14 v.	)	SECTION 25252;
)	
15 FIRST FIDELITY ASSET GROUP, LLC;	)	2) CLAIM FOR ANCILLARY RELIEF
16 FIRST FIDELITY GROUP, LTD.; JOSEPH	)	PURSUANT TO CORPORATIONS
17 LEKAR; SIMON SHAW; and STEFAN	)	CODE SECTION 25254;
MISIRACA,)	
	)	3) DESIST AND REFRAIN ORDER
18 Respondents.)	

19
20 Preston DuFauchard, the California Corporations Commissioner (“Commissioner”) of the
21 Department of Corporations (“Department”) (collectively, “Complainant”), alleges and charges
22 as follows:

23 **I.**
24 **STATEMENT OF FACTS**

25 1. First Fidelity Asset Group, LLC (“First Fidelity Asset Group”) is a Nevada limited
26 liability company organized on January 31, 2001. It maintains or maintained business addresses at
27 18101 Von Karman Ave., Irvine, CA 92612; 8350 Wilshire Blvd., Suite 200, Beverly Hills, CA
28 90211; and 5000 Birch Street, Suite 3000-West Tower, Newport Beach, CA 92660.

1 2. At all relevant times, First Fidelity Asset Group’s manager was Joseph Lekar
2 (“Lekar”).

3 3. First Fidelity Group, Ltd. (“First Fidelity Group”) is a private equity fund registered
4 under the laws of the British Virgin Islands and with its principal place of business at Four Park
5 Place, London SW1, United Kingdom.

6 4. At all relevant times, Stefan Misiraca (“Misiraca”) was a Partner in First Fidelity
7 Group and was located in California.

8 5. At all relevant times, Simon Shaw (“Shaw”) was Managing Director of First Fidelity
9 Group.

10 6. First Fidelity Asset Group, First Fidelity Group, Lekar, Shaw, and Misiraca are
11 hereinafter referred to as “Respondents.” Whenever reference is made in this Statement in Support
12 to “Respondents” doing any act, the allegation shall mean the act of each respondent acting
13 individually, jointly and severally.

14 **VIOLATION OF CORPORATIONS CODE SECTION 25110**

15 **(UNQUALIFIED OFFER AND SALE OF SECURITIES)**

16 7. Through general solicitations in the form of advertisements on the companies’
17 websites, www.firstfidelitygroup.com and www.firstfidelitygroup.com, First Fidelity Asset
18 Group, First Fidelity Group, Lekar, and Shaw offered or sold securities in the form of bonds.

19 8. These securities were offered or sold in this state in issuer transactions. The
20 Department of Corporations has not issued a permit or other form of qualification authorizing any
21 person to offer or sell these securities in this state.

22 9. Corporations Code section 25110 prohibits the offer and sale of non-exempt
23 securities in this state that are subject to qualification.

24 10. On December 5, 2007 the California Department of Corporations issued a Desist and
25 Refrain Order to First Fidelity Asset Group, First Fidelity Group, Lekar, and Shaw for violation of
26 Corporations Code section 25110 by selling securities in the form of bonds.

27 11. Respondents have also offered and sold securities in the form of investment contracts
28 called “Forex Trading Partnerships.” These securities were also offered or sold in this state in issuer

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

3 **VIOLATION OF CORPORATIONS CODE SECTION 25401**

4 **(MISREPRESENTATIONS AND OMISSIONS OF MATERIAL FACTS)**

5 12. After the Department of Corporations issued the Desist and Refrain Order,
6 Respondents continued to offer and sell securities.

7 13. In connection with the offer and sale of these securities, Respondents omitted to
8 disclose that on December 5, 2007, a Desist and Refrain Order had been issued against First Fidelity
9 Asset Group, First Fidelity Group, Lekar, and Shaw for violation of Corporations Code section
10 25110.

11 14. Corporations Code section 25401 prohibits the offer and/or sale of securities in this
12 state by means of written or oral communications that include untrue statements of material fact or
13 omits material facts necessary in order to make the statements made, in the light of the
14 circumstances under which they were made, not misleading.

15 **II.**

16 **ORDER LEVYING ADMINISTRATIVE PENALTIES**

17 **(For violations of Corporations Code section 25401)**

18 15. Complainant re-alleges and reincorporates by reference paragraphs 1-14 of this
19 Statement in Support as though fully set forth herein.

20 16. Corporations Code section 25252 authorizes the Commissioner to issue an order
21 levying administrative penalties against any person for willful violations of any provision of the
22 Corporate Securities Law and any rules promulgated thereunder. Specifically, Corporations Code
23 section 25252 provides, in relevant part:

24 The commissioner may, after appropriate notice and opportunity for
25 hearing, by orders, levy administrative penalties as follows:

26 (a) Any person subject to this division, other than a broker-dealer or
27 investment adviser, who willfully violates any provision of this
28 division, or who willfully violates any rule or order adopted or
issued pursuant to this division, is liable for administrative penalties
of not more than one thousand dollars (\$1,000) for the first violation,

1 and not more than two thousand five hundred dollars (\$2,500) for
2 each subsequent violation.

3 17. Based on the foregoing findings of fact, as set forth fully above in paragraphs 1-14,
4 Respondents willfully violated Corporations Code section 25110 by offering securities on their
5 websites and Corporations Code section 25401 by making misrepresentations and omissions of
6 material fact in connection with the offer and sale of securities to at least two investors or according
7 to proof.

8 **WHEREFORE**, good cause showing, and pursuant to Corporations Code section 25252,
9 the Commissioner prays for an order levying administrative penalties against Respondents First
10 Fidelity Asset Group, LLC; First Fidelity Group, Ltd.; Joseph Lekar; Simon Shaw; and Stefan
11 Misiraca, jointly and severally, as follows:

12 A) That pursuant to Corporations Code section 25252, the Commissioner levy
13 administrative penalties of one thousand dollars (\$1,000) for the violation of Corporations Code
14 section 25110.

15 B) That pursuant to Corporations Code section 25252, the Commissioner levy
16 administrative penalties of one thousand dollars (\$1,000) for the first violation of Corporations
17 Code section 25401 and two thousand five hundred dollars (\$2,500) for each subsequent violation,
18 for a total amount of \$3,500.00 or according to proof.

19 C) The total amount of administrative penalties for Respondents' violations of
20 Corporations Code section 25401 is \$4,500.00.

21 **III.**

22 **CLAIM FOR ANCILLARY RELIEF**

23 **(For violations of Corporations Code sections 25401)**

24 18. Complainant re-alleges and reincorporates by reference paragraphs 1-14 of this
25 Statement in Support as though fully set forth herein.

26 19. Corporations Code section 25254 authorizes the Commissioner to seek ancillary
27 relief on behalf of any person injured by violations of any provision of the Corporate Securities
28 Law and any rules promulgated thereunder. Corporations Code section 25254 states:

1 (a) If the commissioner determines it is in the public interest, the
2 commissioner may include in any administrative action brought under
3 this part a claim for ancillary relief, including, but not limited to, a
4 claim for restitution or disgorgement or damages on behalf of the
5 persons injured by the act or practice constituting the subject matter of
6 the action, and the administrative law judge shall have jurisdiction to
7 award additional relief.

8 (b) In an administrative action brought under this part, the
9 commissioner is entitled to recover costs, which in the discretion of the
10 administrative law judge may include an amount representing
11 reasonable attorney's fees and investigative expenses for the services
12 rendered, for deposit into the State Corporations Fund for the use of
13 the Department of Corporations.

14 20. Based on the foregoing findings of fact, as set forth fully above in paragraphs 1-14,
15 Respondents sold securities in an amount of at least \$200,000.00 to at least two California residents
16 without disclosing the Desist and Refrain Order, in violation of Corporations Code section 25401.

17 **WHEREFORE**, good cause showing and the Commissioner having determined that this
18 action is in the public interest and necessary to effectuate the Department's primary, legitimate,
19 regulatory purpose based upon the Respondents' violations of the Corporate Securities Law, the
20 Commissioner hereby prays for an order of ancillary relief pursuant to Corporation Code section
21 25254, individually, jointly and severally against Respondents as follows:

22 A) Full restitution, consisting of the investors' investment principal in an amount of at
23 least \$200,000.00 and the legal rate of interest accumulated on the investment principal or
24 according to proof;

25 B) Recovery of attorney's fees, investigative expenses, and costs in an amount of at
26 least \$3000.00, or according to proof.

27 **IV.**

28 **DESIST AND REFRAIN ORDER**

29 21. Complainant re-alleges and reincorporates by reference paragraphs 1-14 of this
30 Statement in Support as though fully set forth herein.

31 22. Corporations Code section 25532, in pertinent part, states:

(a) If, in the opinion of the commissioner, (1) the sale of a
security is subject to qualification under this law and it is being

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or has been offered or sold without first being qualified, the commissioner may order the issuer or offeror of the security to desist and refrain from the further offer or sale of the security until qualification has been made under this law ...

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

23. Based on the foregoing findings of fact, as set forth fully above in paragraphs 1-14, the Commissioner is of the opinion that the securities offered by First Fidelity Asset Group Inc., First Fidelity Group, Ltd., Joseph Lekar, Simon Shaw, and Stefan Misiraca were offered in this state by means of written or oral communications that included untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of Corporations Code section 25401.

IT IS HEREBY ORDERED EFFECTIVE IMMEDIATELY THAT pursuant to Corporations Code section 25532, First Fidelity Asset Group, LLC, First Fidelity Group, Ltd., Joseph Lekar, Simon Shaw, and Stefan Misiraca desist and refrain from offering or selling or buying or offering to buy any security in the State of California, including but not limited to bonds and investment contracts in the form of Forex Trading Partnerships, by means of any written or oral communication which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

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: April 5, 2011

PRESTON DUFAUCHARD
California Corporations Commissioner

By: _____
ALAN S. WEINGER
Deputy Commissioner