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8
9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
10 OF THE STATE OF CALIFORNIA

11 In the Matter of:) OAH Case No.: 2017061262
)
12 THE COMMISSIONER OF BUSINESS) Agency Case No. 10645
OVERSIGHT,)
13) STIPULATION
14 Complainant,)
)
15 v.)
)
16 JOSEPH P. GUINAN and POWER OF THE)
17 PRAYERS, LLC,)
)
18 Respondents.)
19)

20 Respondents Joseph P. Guinan (Guinan) and Power of the Prayers, LLC (collectively,
21 Respondents) and Complainant, the Commissioner of Business Oversight (Commissioner) (hereafter
22 the Parties), enter this Stipulation based on the following facts:

23 **RECITALS**

- 24 A. The Commissioner licenses and regulates the offer and sale of securities in California under
25 the Corporate Securities Law of 1968 (CSL) (Corp. Code, § 25000 et seq.).
26 B. On May 23, 2017, the Commissioner issued a Desist and Refrain Order for violations of
27 Corporations Code sections 25110 and 25401 and a Statement in Support of Order Levying
28 Administrative Penalties Pursuant to Corporations Code Section 25252 to Respondents.

1 (Administrative Action)

2 C. The Commissioner’s Administrative Action was based on violations of law committed by
3 Respondents, including the following:

4 i. violating Corporations Code section 25110 by offering securities in the form of
5 interests in the proposed film Power of the Prayers to at least one California resident without first
6 obtaining a qualification to do so, or being exempt; and

7 ii. violating Corporations Code section 25401 by omitting to state a material fact in the
8 offer and/or sale of securities in this State, when they failed to disclose the issuance of the
9 Commissioner’s Desist and Refrain Order in 2012, Desist and Refrain Order in 2013 and Order
10 Levying Administrative Penalties in 2013.

11 D. The Administrative Action was personally served on Respondents May 25, 2017. On June
12 19, 2017, Respondents filed a request for hearing; on June 23, 2017, Respondents waived their right
13 to a hearing within 15 days. The matter is set for hearing on May 30 and 31, 2018, at the Office of
14 Administrative Hearings in Los Angeles, California.

15 E. Respondents admit to the jurisdiction of the Department of Business Oversight (Department)
16 and desire to resolve this matter without the necessity of a hearing and/or other litigation.

17 NOW, THEREFORE, for good cause and valuable consideration, and the terms and
18 conditions set forth herein, the Parties agree as follows:

19 **TERMS**

20 1. Purpose: The purpose of this Stipulation is to settle and resolve the Administrative Action,
21 for judicial economy and expediency, and to avoid the expense of a hearing, and possible court
22 proceedings.

23 2. Desist and Refrain Orders: Respondent Guinan admits to violating Corporations Code section
24 25110 on three separate occasions; these violations are the basis of the three Desist and Refrain
25 Orders issued to Respondent Guinan and his companies. Respondent Guinan stipulates to the three
26 Desist and Refrain Orders issued on April 23, 2012, June 28, 2013, and May 23, 2017 (Orders), and
27 stipulates that these Orders are final.

28 3. Waiver of Hearing Rights: Respondents hereby waive their right to any hearing, and to any

1 reconsideration, appeal, or other right to review which may be afforded pursuant to CSL, the
2 California Administrative Practice Act, the California Code of Civil Procedure, or any other law, with
3 respect to issuance of this Stipulation and Orders.

4 4. Future Actions by the Commissioner: The Commissioner reserves the right to bring any
5 future action(s) against Respondents for all unknown or future violations of the CSL. This
6 Stipulation shall not serve to exculpate Respondents from liability for all unknown or future
7 violations of the CSL.

8 5. Independent Legal Advice: Each of the Parties represents, warrants, and agrees that it has
9 received or been advised to seek independent legal advice from its attorneys with respect to the
10 advisability of executing this Stipulation.

11 6. No Other Representation: Each of the Parties represents, warrants, and agrees that in
12 executing this Stipulation, it has relied solely on the statements set forth herein and the advice of its
13 own counsel. Each of the Parties further represents, warrants, and agrees that in executing this
14 Stipulation, it has placed no reliance on any statement, representation, or promise of any other party,
15 or any other person or entity not expressly set forth herein, or upon the failure of any party or any
16 other person or entity to make any statement, representation or disclosure of anything whatsoever.
17 The Parties have included this clause: (1) to preclude any claim that any party was in any way
18 fraudulently induced to execute this Stipulation; and (2) to preclude the introduction of parol
19 evidence to vary, interpret, supplement, or contradict the terms of this Stipulation.

20 7. Modifications and Qualified Integration: No amendment, change or modification of this
21 Stipulation shall be valid or binding to any extent unless it is in writing and signed by all the parties
22 affected by it.

23 8. Full Integration: This Stipulation is the final written expression and the complete and
24 exclusive statement of all the agreements, conditions, promises, representations, and covenants
25 between the Parties with respect to the subject matter hereof, and supersedes all discussions between
26 and among the Parties, their respective representatives, and any other person or entity, with respect to
27 the subject matter covered hereby.

28 9. No Presumption From Drafting: In that the Parties have had the opportunity to draft, review

1 and edit the language of this Stipulation, no presumption for or against any party arising out of
2 drafting all or any part of this Stipulation will be applied in any action relating to, connected to, or
3 involving this Stipulation. Accordingly, the Parties waive the benefit of Civil Code section 1654 and
4 any successor or amended statute, providing that in cases of uncertainty, language of a contract
5 should be interpreted most strongly against the party who caused the uncertainty to exist.

6 10. Counterparts: This Stipulation may be executed in any number of counter-parts by the
7 Parties, and when each party has signed and delivered at least one such counterpart to the other party,
8 each counterpart shall be deemed an original and taken together shall constitute one and the same
9 Stipulation. A fax signature shall be deemed the same as an original signature.

10 11. Terms, Headings and Governing Law: All terms used, but not defined herein, shall have the
11 meaning assigned to them by the CSL. The headings to the paragraphs of this Stipulation are inserted
12 for convenience only and will not be deemed a part hereof or affect the construction or interpretation
13 of the provisions hereof. This Stipulation shall be construed and enforced in accordance with, and
14 governed by, the laws of the State of California.

15 12. Authority For Stipulation: Each signator hereto covenants that he/she possesses all necessary
16 capacity and authority to sign and enter this Stipulation. Each party warrants and represents that such
17 party is fully entitled and duly authorized to enter and deliver this Stipulation. In particular, and
18 without limiting the generality of the foregoing, each party warrants and represents that it is fully
19 entitled to enter the covenants, and undertake the obligations set forth herein.

20 13. Public Record: Respondents hereby acknowledge that this Stipulation and the exhibits
21 attached hereto will be a matter of public record. Respondents further understand and agree to not
22 make any statement or representation that is inconsistent with this Stipulation.

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1 14. Voluntary Agreement: The Parties each represent and acknowledge that he, she or it is
2 executing this Stipulation completely voluntarily and without any duress or undue influence of any
3 kind from any source.

4 15. Effective Date: This Stipulation shall not become effective until signed by all parties and
5 delivered by the Commissioner’s agent by email to Respondents at texasguinan@icloud.com.

6 Dated: 2/5/18 JAN LYNN OWEN
7 Commissioner of Business Oversight

8 By: _____
9 MARY ANN SMITH
10 Deputy Commissioner
11 Enforcement Division

12 Dated: 1/23/18 JOSEPH P. GUINAN and
13 POWER OF THE PRAYERS, LLC

14 By: _____
15 Joseph P. Guinan, individually and on behalf of
16 Power of the Prayers, LLC
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