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

**TO: Innovation Index Group, Inc.**  
**Innovation Index Fund, LLC**  
**Sanjay Dalal**  
**2600 Michelson Drive, Suite 1700**  
**Irvine, California 92612**

**DESIST AND REFRAIN ORDER**

**(For violations of section 25110 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. At all relevant times, Innovation Index Group, Inc., a California corporation, and Innovation Index Fund, LLC, a California limited liability company, (collectively "Innovation Index Group") conducted business at 2600 Michelson Drive, Suite 1700, Irvine, California 92612. Innovation Index Fund, LLC (the "Fund") was formed to invest investors' funds into publicly traded companies listed in the Innovation Index. The Innovation Index is or was a weighted, stock index of the "top 20 innovators in North America, consisting exclusively of publicly traded companies." Innovation Index Group, Inc. is or was an investment management company that managed the Fund and was "focused on systematically identifying, tracking and investing in the most innovative publicly traded companies in North America" comprising the Innovation Index.
2. Innovation Index operates a website on the World Wide Web at [www.innovationindexgroup.com](http://www.innovationindexgroup.com).
3. At all relevant times, Sanjay Dalal was the president and managing director of Innovation Index Group, Inc.
4. Beginning in or about December 2007, Innovation Index Group and Sanjay Dalal, offered and sold securities in the form of membership interests or units in the Fund ("membership interests").

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1 5. Innovation Index Group and/or Sanjay Dalal solicited investors through "webinar"  
2 presentations posted on the World Wide Web, touting the merits of investing in the Fund. Innovation  
3 Index Group's webinar presentations were not password protected and could be accessed by members  
4 of the general public.

5 6. Innovation Index Group and/or Sanjay Dalal offered or sold at least ten (10) California  
6 residents membership interests totaling at least \$267,833.98.

7 7. These membership interests were offered or sold in this state in issuer transactions.  
8 The Department of Corporations has not issued a permit or other form of qualification authorizing  
9 any person to offer or sell these membership interests in this state.

10 Based upon the foregoing findings, the California Corporations Commissioner is of the  
11 opinion that the membership interests are securities subject to qualification under the California  
12 Corporate Securities Law of 1968 and are being or have been offered or sold without first being  
13 qualified. Pursuant to Section 25532 of the Corporate Securities Law of 1968, Innovation Index  
14 Group, Inc., Innovation Index Fund, LLC, and Sanjay Dalal are hereby ordered to desist and refrain  
15 from the further offer or sale of securities, in the State of California, including but not limited to  
16 membership interests, unless and until qualification has been made under said law or unless exempt.

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

19 Dated: January 29, 2009  
20 Los Angeles, California

21 PRESTON DuFAUCHARD  
22 California Corporations Commissioner

23 By \_\_\_\_\_  
24 ALAN S. WEINGER  
25 Lead Corporations Counsel  
26 Enforcement Division  
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