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8

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
10 **FOR THE COUNTY OF SAN DIEGO**

11 THE PEOPLE OF THE STATE OF  
CALIFORNIA, by and through the  
12 CALIFORNIA CORPORATIONS  
COMMISSIONER,

13 Plaintiff,

14 vs.

15 IKE PETROS IOSSIF, an individual,

16 Defendant.  
17  
18  
19  
20

Case No.:

**COMPLAINT FOR PERMANENT  
INJUNCTION**

**(VIOLATION OF AN ORDER ISSUED BY  
THE CALIFORNIA CORPORATIONS  
COMMISSIONER)**

Judge:

Dept:

Hearing Date:

Hearing Time:

Date Action Filed:

21 Preston DuFauchard, California Corporations Commissioner, acting to protect the public  
22 from unlawful and fraudulent investment advisers, brings this action in the public interest, in the  
23 name of the People of the State of California. The People of the State of California allege:

24 **VENUE AND JURISDICTION**

25 1. The California Corporations Commissioner (“Commissioner” or “Plaintiff”) brings  
26 this action to enjoin the defendant from violating an Order of the Commissioner issued under the  
27 Corporate Securities Law of 1968 (California Corporations Code section 25000, et seq.) and to  
28 enforce the defendant’s compliance with the terms of the Commissioner’s Order.



1 (B) Failed to prepare computations of net capital and aggregate indebtedness at least  
2 once per month in violation of California Corporations Code section 25241(a) and Code of  
3 Regulations section 260.241.3(j);

4 (C) Placed orders to trade securities in client accounts without authority to do so, and,  
5 in some cases, contrary to the expressed instructions of clients, in violation of California  
6 Corporations Code section 25238 and Code of Regulations section 260.238(b);

7 (D) Borrowed money from a client in violation of California Corporations Code  
8 section 25238 and Code of Regulations section 260.238(f);

9 (E) Published an advertisement containing an untrue statement of material fact, or  
10 which is otherwise false or misleading in violation of California Corporations Code section 25235(d)  
11 and Code of Regulations section 260.235(a)(5); and

12 (F) Engaged in a practice of trading securities, known as “cherry picking,” which  
13 operated as a fraud or deceit upon clients in violation of California Corporations Code section  
14 25235(b).

15 9. On or about September 10, 2008, IOSSIF filed a Notice of Defense, requesting an  
16 administrative hearing to challenge the allegations set forth in the Accusation.

17 10. On or about April 20, 2009, a Notice of Hearing, setting forth the date, time and place  
18 of the hearing, was served on IOSSIF.

19 11. Plaintiff and IOSSIF engaged in discovery before the administrative hearing.

20 12. On or about September 15, 2009, the administrative hearing, requested by IOSSIF,  
21 was held at the Office of Administrative Hearings and presided over by an Administrative Law  
22 Judge. IOSSIF did not appear at the administrative hearing.

23 13. At the administrative hearing, Plaintiff introduced documentary and testimonial  
24 evidence into the record.

25 14. On or about December 14, 2009, the Administrative Law Judge issued a proposed  
26 Decision pursuant to the provisions of the California Administrative Procedures Act.

27 15. On or about March 22, 2010, the Commissioner issued an Order adopting the  
28 proposed Decision. The Order specifies that the Decision shall become effective on March 23, 2010.

1 16. The Decision and Order made findings of fact and conclusions of law. The Decision  
2 and Order found that Plaintiff proved the allegations set forth in the Accusation.

3 17. The Decision and Order required that, within 90 days of the effective date of the  
4 Decision and Order, IOSSIF shall:

- 5 (A) Disgorge \$10,732.53 in investment advisory fees paid to him by clients;
- 6 (B) Make payment of restitution totaling \$1,717,190.20 to clients;
- 7 (C) Repay the loan in the amount of \$25,000.00 to his client; and
- 8 (D) Reimburse Plaintiff \$153,919.99 for investigative costs and attorneys' fees.

9 18. The Decision and Order were served on IOSSIF.

10 19. IOSSIF failed to seek reconsideration of the Decision and Order, file a writ of  
11 mandate or otherwise appeal the Decision and Order. The Decision and Order is now final.

12 20. As of today's date, over 200 days from the effective date of the Decision and Order,  
13 IOSSIF has failed to make any of the payments ordered by the Commissioner. Furthermore, IOSSIF  
14 has failed to contact Plaintiff to request more time to comply with the Decision and Order. IOSSIF is  
15 in violation of the Commissioner's Order.

16 **FIRST CAUSE OF ACTION**

17 **VIOLATION OF AN ORDER ISSUED BY**

18 **THE CALIFORNIA CORPORATIONS COMMISSIONER**

19 **(AGAINST DEFENDANT IKE PETROS IOSSIF)**

20 21. Plaintiff incorporates by reference paragraphs 1 through 20 of this Complaint as  
21 though fully set forth herein.

22 22. California Corporations Code section 25530, in pertinent part, provides:

23 Whenever it appears to the commissioner that any person has engaged . . . in any act  
24 or practice constituting a violation of any provision of this division or any rule or  
25 order hereunder the commissioner may in the commissioner's discretion bring an  
26 action in the name of the people of the State of California in the superior court to  
27 enjoin the acts or practices or to enforce compliance with this law or any rule or order  
28 hereunder. Upon a proper showing, a permanent . . . injunction . . . shall be granted . .  
. or any other ancillary relief may be granted as appropriate.

(California Corporations Code § 25530, subd. (a).)

1 23. Plaintiff filed an Accusation against IOSSIF for alleged violations of the  
2 Corporate Securities Law of 1968 and the rules and regulations thereunder.

3 24. After appropriate notice and opportunity to be heard, the Administrative Law  
4 Judge issued a proposed Decision, containing findings of fact and conclusions of law as to  
5 the allegations against IOSSIF as set forth in the Accusation.

6 25. The Commissioner issued an Order adopting the proposed Decision.

7 26. The Decision and Order required IOSSIF to make payments of disgorgement  
8 and restitution to clients and to repay a loan given to IOSSIF by a client. The Decision and  
9 Order also required IOSSIF to pay to Plaintiff certain costs and fees.

10 27. To this date, IOSSIF has not made any such payments. As such, IOSSIF is in  
11 violation of the Decision and Order issued by the Commissioner.

12 28. Section 25530 of the California Corporations Code provides that when it  
13 appears that any person has engaged in a violation of any Order issued under the Corporate  
14 Securities Law of 1968 that the Commissioner may bring an action in the name of the  
15 People, in the Superior Court, to enjoin violation of and enforce compliance with the Order.

16 29. The Commissioner seeks an injunction requiring IOSSIF to comply with the  
17 Order. Unless enjoined by this Court, IOSSIF will continue to violate the Order.

18 **RELIEF REQUESTED**

19 WHEREFORE, based upon the foregoing, Plaintiff prays for a judgment against defendant  
20 IKE PETROS IOSSIF as follows:

21 1. For an Order of Permanent Injunction, pursuant to California Corporations Code  
22 section 25530(a): (A) enjoining IOSSIF from violating the Order of the Commissioner; and  
23 (B) compelling IOSSIF to comply with the terms of the Commissioner’s Order; and

24 2. For such other and further relief as this Court may deem necessary and proper.

25 Dated: November 8, 2010

26 PRESTON DuFAUCHARD  
27 California Corporations Commissioner

28 By: \_\_\_\_\_  
ALEX CALERO  
Corporations Counsel  
Attorney for the People of California