1	PRESTON DuFAUCHARD California Corporations Commissioner	
2	ALAN S. WEINGER Deputy Commissioner	
3	ALEX CALERO (SBN 238389)	
4	Corporations Counsel CALIFORNIA DEPARTMENT OF CORPORA	TIONS
5	1350 Front Street, Room 2034	
6	San Diego, California 92101 Telephone: (619) 525-4044	
7	Attorneys for the People of the State of California	ia
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9	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
10	FOR THE COUNTY OF SAN DIEGO	
11	THE PEOPLE OF THE STATE OF	Case No.:
12	CALIFORNIA, by and through the CALIFORNIA CORPORATIONS	COMPLAINTEOD DEDMANIENT
13	COMMISSIONER,	COMPLAINT FOR PERMANENT INJUNCTION
14	Plaintiff,	(VIOLATION OF AN ORDER ISSUED BY
15	VS.	THE CALIFORNIA CORPORATIONS
16	IKE PETROS IOSSIF, an individual,	COMMISSIONER)
17	Defendant.	Judge:
18		Dept:
19		Hearing Date:
20		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 Con	mmissioner ("Commissioner" or "Plaintiff") brings
26	this action to enjoin the defendant from violati	ng 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.	
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Plaintiff brings this action pursuant to California Corporations Code section 25530, in
 his capacity as head of the California Department of Corporations.

The defendant has failed to comply with an Order issued by the Commissioner.
 Defendant's failure to comply with the Order took place within San Diego County and other
 counties in the State of California. Violation of the Order described herein occurred and will
 continue to occur within San Diego County and throughout the State of California unless enjoined.

## **DEFENDANT**

4. Defendant IKE PETROS IOSSIF ("IOSSIF") is an individual whose last known address is 10808 Foothill Blvd., # 160-489, Rancho Cucamonga, CA 91730. At all relevant times, IOSSIF was the President of and maintained full control over the activities of Aegean Capital Group, Inc., a Delaware Corporation that conducted business in the State of California as an Investment Adviser licensed by the Commissioner.

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## **STATEMENT OF FACTS**

5. Beginning on or about August 7, 2001, IOSSIF was President of and maintained full control over the activities of Aegean Capital Group, Inc.

6. At all relevant times, IOSSIF's company, Aegean Capital Group, Inc., was an
 Investment Adviser licensed by the Commissioner, pursuant to California Corporations Code section
 25230.

7. On or about August 12, 2009, Plaintiff filed an administrative Accusation against IOSSIF, pursuant to the Commissioner's authority to regulate the acts and practices of investment advisers. The Accusation was served on IOSSIF.

8. In the Accusation, Plaintiff alleged that IOSSIF engaged in numerous violations of
the Corporate Securities Law of 1968. Specifically, that IOSSIF:

(A) Failed to calculate net worth in accordance with Generally Accepted Accounting
Principles ("GAAP") in violation of California Corporations Code section 25241(a) and Code of
Regulations section 260.237.2;

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(B) Failed to prepare computations of net capital and aggregate indebtedness at least 1 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 25235(b). 14 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 evidence into the record. 24 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. 3

COMPLAINT FOR PERMANENT INJUNCTION

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 o	therwise 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	
		FIRST CAUSE OF ACTION VIOLATION OF AN ORDER ISSUED BY	
16 17 18			
17 18		VIOLATION OF AN ORDER ISSUED BY	
17 18 19	21.	VIOLATION OF AN ORDER ISSUED BY THE CALIFORNIA CORPORATIONS COMMISSIONER	
17 18 19 20		VIOLATION OF AN ORDER ISSUED BY THE CALIFORNIA CORPORATIONS COMMISSIONER (AGAINST DEFENDANT IKE PETROS IOSSIF)	
17 18 19 20 21		VIOLATION OF AN ORDER ISSUED BY THE CALIFORNIA CORPORATIONS COMMISSIONER (AGAINST DEFENDANT IKE PETROS IOSSIF) Plaintiff incorporates by reference paragraphs 1 through 20 of this Complaint as	
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<ol> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> </ol>	though fully 22. When or pra	VIOLATION OF AN ORDER ISSUED BY THE CALIFORNIA CORPORATIONS COMMISSIONER (AGAINST DEFENDANT IKE PETROS IOSSIF) Plaintiff incorporates by reference paragraphs 1 through 20 of this Complaint as set forth herein. California Corporations Code section 25530, in pertinent part, provides: never it appears to the commissioner that any person has engaged in any act actice constituting a violation of any provision of this division or any rule or	
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23. Plaintiff filed an Accusation against IOSSIF for alleged violations of the Corporate Securities Law of 1968 and the rules and regulations thereunder.

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

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

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

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

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

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

## **RELIEF REQUESTED**

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

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

2. For such other and further relief as this Court may deem necessary and proper. Dated: November 8, 2010

PRESTON DuFAUCHARD California Corporations Commissioner

By:

ALEX CALERO Corporations Counsel Attorney for the People of California

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