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7 Attorneys for Complainant

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

10	In the Matter of	)	CASE NO.
11		)	
12	THE CALIFORNIA CORPORATIONS	)	1) STATEMENT IN SUPPORT OF
13	COMMISSIONER,	)	ORDER LEVYING ADMINISTRATIVE
14	Complainant,	)	PENALTIES PURSUANT TO
15	v.	)	CORPORATIONS CODE
16	JORGE ROMERO INVESTMENTS, INC.;	)	SECTION 25252;
17	MAXIMUM RETURN INVESTMENTS, INC.;	)	2) CLAIM FOR ANCILLARY RELIEF
18	and JORGE ROMERO	)	PURSUANT TO CORPORATIONS
	Respondents.	)	CODE SECTION 25254;
		)	3) DESIST AND REFRAIN ORDER

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

22 **I.**  
23 **STATEMENT OF FACTS**

24 1. Jorge Romero Investments, Inc. (“Jorge Romero Investments”) was a California  
25 corporation incorporated under the laws of California on January 10, 2007. At all relevant times, its  
26 principal place of business was 7235 Zelzah Avenue, Reseda, CA 91335. Its corporate status was  
27 suspended as of April 1, 2010.

1           2.       Maximum Return Investments, Inc. (“Maximum Return Investments”) is a California  
2 corporation with a suspended status. It was incorporated on January 10, 2007. At all relevant times,  
3 its principal place of business was 7340 Firestone Blvd., Suite 125, Downey, CA 90241.

4           3.       At all relevant times, Jorge Romero (“Romero”) was the CEO and control person of  
5 Jorge Romero Investments. At all relevant times, Romero was a control person of Maximum Return  
6 Investments.

7           4.       Jorge Romero Investments, Maximum Return Investments, and Romero are  
8 hereinafter referred to as “Respondents.” Whenever reference is made in this Statement in Support  
9 to “Respondents” doing any act, the allegation shall mean the act of each respondent acting  
10 individually, jointly and severally.

11                           **VIOLATION OF CORPORATIONS CODE SECTION 25110**  
12                           **(UNQUALIFIED OFFER AND SALE OF SECURITIES)**

13           5.       Beginning in 2007 or earlier, Romero, acting on behalf Jorge Romero Investments  
14 and Maximum Return Investments, offered and sold securities in the form of promissory notes to  
15 residents of California. The promissory notes, signed by the investor and Romero, were entitled “4  
16 Months Representation Letter.” The promissory notes provided that 100% interest would be paid  
17 within 4 months. The promissory notes provided: “Investment principle [sic] is insured and  
18 guaranteed by Insurance Service Group.”

19           6.       Romero offered and sold these securities to persons with whom he did not have a  
20 preexisting relationship.

21           7.       These promissory notes are “securities” subject to qualification under the Corporate  
22 Securities Law.

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

25                           **VIOLATION OF CORPORATIONS CODE SECTION 25401**  
26                           **(MISREPRESENTATIONS AND OMISSIONS OF MATERIAL FACTS)**

27           9.       In connection with the offer and sale of these securities, Romero made, or caused to  
28 be made, misrepresentations of material fact or omitted to state material facts necessary in order to

1 make the statements made, in the light of the circumstances under which they were made, not  
2 misleading. These misrepresentations and omissions were the following:

3 a) Romero omitted to tell investors that new investors' money would be used to pay  
4 interest to old investors.

5 b) Romero misrepresented to investors that their investment was insured and guaranteed  
6 by Insurance Service Group. In fact, Insurance Service Group did not exist and the investments  
7 were not insured or guaranteed.

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

12 **II.**

13 **ORDER LEVYING ADMINISTRATIVE PENALTIES**

14 **(For violations of Corporations Code sections 25110 and 25401)**

15 11. Complainant re-alleges and reincorporates by reference paragraphs 1-10 of this  
16 Statement in Support as though fully set forth herein.

17 12. Corporations Code section 25252 authorizes the Commissioner to issue an order  
18 levying administrative penalties against any person for willful violations of any provision of the CSL  
19 and any rules promulgated thereunder. Specifically, Corporations Code section 25252 provides, in  
20 relevant part:

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

23 (a) Any person subject to this division, other than a broker-dealer or  
24 investment adviser, who willfully violates any provision of this  
25 division, or who willfully violates any rule or order adopted or  
26 issued pursuant to this division, is liable for administrative penalties  
of not more than one thousand dollars (\$1,000) for the first violation,  
and not more than two thousand five hundred dollars (\$2,500) for  
each subsequent violation.

27 13. Based on the foregoing findings of fact, as set forth fully above in paragraphs 1-10,  
28 Respondents willfully violated the following provisions:

1 a) Corporations Code section 25110 by offering and selling securities that are not  
2 qualified by the Department or exempt to at least 85 investors or according to proof.

3 b) Corporations Code section 25401 by making misrepresentations and omissions of  
4 material fact in connection with the offer and sale of securities to at least 85 investors or  
5 according to proof.

6 **WHEREFORE**, good cause showing, and pursuant to Corporations Code section 25252,  
7 the Commissioner prays for an order levying administrative penalties against Respondents Jorge  
8 Romero; Jorge Romero Investments, Inc.; and Maximum Return Investments, Inc., jointly and  
9 severally, as follows:

10 A) That pursuant to Corporations Code section 25252, the Commissioner levy  
11 administrative penalties of one thousand dollars (\$1,000) for the first violation of Corporations Code  
12 section 25110 and two thousand five hundred dollars (\$2,500) for each subsequent violation, for a  
13 total amount of \$211,000.00 or according to proof.

14 B) That pursuant to Corporations Code section 25252, the Commissioner levy  
15 administrative penalties of one thousand dollars (\$1,000) for the first violation of Corporations  
16 Code section 25401 and two thousand five hundred dollars (\$2,500) for each subsequent violation,  
17 for a total amount of \$211,000.00 or according to proof.

18 C) The total amount of administrative penalties for Respondents' violations of  
19 Corporations Code sections 25110 and 25401 is \$422,000.00.

20 **III.**

21 **CLAIM FOR ANCILLARY RELIEF**

22 **(For violations of Corporations Code sections 25110 and 25401)**

23 14. Complainant re-alleges and reincorporates by reference paragraphs 1-10 of this  
24 Statement in Support as though fully set forth herein.

25 15. Corporations Code section 25254 authorizes the Commissioner to seek ancillary  
26 relief on behalf of any person injured by violations of any provision of the CSL and any rules  
27 promulgated thereunder. Corporations Code section 25254 states:

28 (a) If the commissioner determines it is in the public interest, the  
commissioner may include in any administrative action brought under

1 this part a claim for ancillary relief, including, but not limited to, a  
2 claim for restitution or disgorgement or damages on behalf of the  
3 persons injured by the act or practice constituting the subject matter of  
4 the action, and the administrative law judge shall have jurisdiction to  
5 award additional relief.

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

12 16. Based on the foregoing findings of fact, as set forth fully above in paragraphs 1-10,  
13 Respondents sold unqualified securities in an amount of at least \$1,945,000.00 to at least 85  
14 California investors in violation of Corporations Code sections 25110 and 25401.

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

20 A) Full restitution, consisting of the investors’ investment principal in an amount of at  
21 least \$1,945,000.00 and the legal rate of interest accumulated on the investment principal or  
22 according to proof;

23 B) Recovery of attorney’s fees, investigative expenses, and costs in an amount of at  
24 least \$17,867.88, or according to proof.

25 **IV.**

26 **DESIST AND REFRAIN ORDER**

27 17. Complainant re-alleges and reincorporates by reference paragraphs 1-10 of this  
28 Statement in Support as though fully set forth herein.

18. 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 or has been offered or sold without first being qualified, the commissioner may order the issuer or offeror of the security to

1 desist and refrain from the further offer or sale of the security  
2 until qualification has been made under this law ...

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

6 19. Based on the foregoing findings of fact, as set forth fully above in paragraphs 1-10, the  
7 Commissioner is of the opinion that the securities in the form of promissory notes offered and sold  
8 by Jorge Romero, Jorge Romero Investments, Inc., and Maximum Return Investments, Inc. are  
9 securities subject to qualification under the CSL and are being or have been offered and sold without  
10 being qualified, in violation of Section 25110 of the CSL.

11 20. Further, the Commissioner is of the opinion that the securities offered by Jorge  
12 Romero, Jorge Romero Investments, Inc., and Maximum Return Investments, Inc., were offered in  
13 this state by means of written or oral communications that included untrue statements of material  
14 fact or omitted to state material facts necessary in order to make the statements made, in the light  
15 of the circumstances under which they were made, not misleading, in violation of section 25401 of  
16 the CSL.

17 **IT IS HEREBY ORDERED EFFECTIVE IMMEDIATELY THAT:**

18 A) Pursuant to Section 25532 of the CSL, Jorge Romero, Jorge Romero Investments,  
19 Inc., and Maximum Return Investments, Inc. desist and refrain from the further offer or sale in the  
20 State of California of securities, including but not limited to promissory notes, unless and until  
21 qualification has been made under this law or unless exempt.

22 B) Pursuant to Section 25532 of the CSL, Jorge Romero, Jorge Romero Investments,  
23 Inc., and Maximum Return Investments, Inc. desist and refrain from offering or selling or buying  
24 or offering to buy any security in the State of California, including but not limited to promissory  
25 notes, by means of any written or oral communication which includes an untrue statement of a  
26 material fact or omits to state a material fact necessary in order to make the statements made, in the  
27 light of the circumstances under which they were made, not misleading.

28 This Order is necessary, in the public interest, for the protection of investors and consistent  
with the purposes, policies, and provisions of the CSL.

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Dated: November 8, 2010

PRESTON DUFAUCHARD  
California Corporations Commissioner

By: \_\_\_\_\_  
ALAN S. WEINGER  
Deputy Commissioner