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FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT

APR 21 2016

BY JESSICA MORALES, DEPUTY

8 Attorneys for the People of the State of California

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA

10 FOR THE COUNTY OF SAN BERNARDINO

11 THE PEOPLE OF THE STATE OF)
12 CALIFORNIA, by and through the Commissioner)
of Business Oversight,)

13 Plaintiff,)

14 v.)

15 PAUL R. MATA, an individual; RENAISSANCE)
16 MANAGEMENT, LLC, a Nevada limited liability)
company; SECURED CAPITAL INVESTMENTS,)
17 LLC, a Nevada limited liability company; LOGOS)
18 REAL ESTATE HOLDINGS, LLC, a California)
limited liability company; LOGOS LIFETIME)
19 ENTERPRISES, LLC, a California limited liability)
20 company; LOGOS MANAGEMENT GROUP,)
LLC, a California limited liability company;)
21 LOGOS WEALTH ADVISORS, INC., a California)

22 corporation, and DOES 1 through 50, inclusive,)
23 Defendants,)

24 And)

25 DAVID FRANCIS KAYATTA, an individual;)
26 MARIO PINCHEIRA, an individual; and WORLD)
GARDENS CAFÉ, LLC, a California limited)
liability company.)

27 Relief Defendants.)
28

) CASE NO. CIVDS1512999
) STIPULATION BETWEEN PLAINTIFF
) AND DEFENDANT PAUL R. MATA
) TO:
) (1) ENTRY OF FINAL JUDGMENT OF
) PERMANENT INJUNCTION;
) RESTITUTION; AND CIVIL PENALTIES;
) and
) (2) FINAL ADMINISTRATIVE ORDER
) ASSIGNED FOR ALL PURPOSES TO:
) The Honorable David S. Cohn
) Dept: S26

1 IT IS HEREBY STIPULATED AND AGREED by and between Plaintiff, the People of the
2 State of California, by and through the Commissioner of Business Oversight (“Commissioner” or
3 “Plaintiff”), on the one hand, and Defendant Paul R. Mata, on the other hand, with reference to the
4 following recitals:

5 RECITALS

6 A. WHEREAS, Defendant Paul R. Mata (“Mata”), an individual and resident of San
7 Bernardino County, at all relevant times served as the control person and managing member of
8 Defendants Secured Capital Investments, LLC (“SCI”), Renaissance Management, LLC
9 (“Renaissance”), Logos Real Estate Holdings, LLC (“LREH”), Logos Lifetime Enterprises, LLC
10 (“LLE”), also conducting business as Logos Lifetime University (“LLU”), Logos Management
11 Group, LLC (“LMG”), Logos Wealth Advisors, Inc. (“LWA”), and Relief Defendant World Gardens
12 Café, LLC (“WGC”).

13 B. WHEREAS, on September 9, 2015, the Commissioner filed a civil action in Superior
14 Court of the State of California, San Bernardino County, on behalf of the People of the State of
15 California against Defendants Mata, Renaissance, SCI, LREH, LMG, LLE, LWA (collectively,
16 “Defendants”), as well as Relief Defendants David Francis Kayatta (“Kayatta”), Mario Pincheira
17 (“Pincheira”), and WGC (collectively, “Relief Defendants”) to request Injunctive Relief, Ancillary
18 Relief, and Civil Penalties for violations of the Corporate Securities Law of 1968, Corporations Code
19 sections 25000 *et seq.* (“CSL”).

20 C. Plaintiff’s Complaint alleges that Defendants fraudulently offered and sold securities,
21 raising an estimated \$14,000,000.00 from approximately 100 investors in California and other states,
22 while engaging in a misuse of investors’ funds. Defendants made inflated guarantees on investors’
23 rates of return while omitting material facts in the offer and sale of securities, such as their past
24 disciplinary history by multiple securities regulators and their lack of licensure to engage in the
25 business of an investment adviser. Plaintiff’s Complaint further alleges that from at least June 20,
26 2007 through September 2015, Mata managed and controlled Renaissance, SCI, LREH, LLE, LMG,
27 LWA, and WGC (collectively, “Entity Defendants”), while using investors’ funds to pay for his,
28 Kayatta’s, and Pincheira’s personal living expenses, fund start-up companies he owned and

1 controlled, and expand his unlicensed investment advisory business.

2 D. WHEREAS, on October 8, 2015, the court in the matter of *Securities and Exchange*
3 *Commission v. Paul Mata, et al., Case No. ED CV 15-01792 VAP*, entered a Preliminary Injunction
4 (“SEC Preliminary Injunction”) and asset freeze on all monies and assets that Mata held in certain
5 Wells Fargo Bank and U.S. Bank accounts. Additionally, the court appointed Robert P. Mosier as
6 Permanent Receiver (“Receiver”) with full control over the property and assets of Entity Defendants
7 and full authority to make payments and disbursements from the property and assets of Entity
8 Defendants in discharging his duties as Receiver.

9 E. WHEREAS, on December 15, 2015, this Court entered an Order Issuing Preliminary
10 Injunction enjoining Defendants and Relief Defendants from, among other things, violating the CSL
11 and transferring, changing, disbursing, selling, dissipating, converting, conveying, pledging,
12 assigning, encumbering, or foreclosing or otherwise disposing of any real or personal property or
13 other assets in their possession, which directly or indirectly derived or emanated from the sale and
14 issuance of securities as alleged in the Complaint, without leave of the Court.

15 F. WHEREAS, Defendant Paul R. Mata and Plaintiff intend to resolve this matter
16 without trial, hearing or further litigation.

17 NOW THEREFORE, in consideration of the foregoing, and the terms and conditions set forth
18 herein, the parties to this agreement hereby agree and stipulate as follows:

19 TERMS AND CONDITIONS

20 1. Plaintiff and Mata enter into this Stipulation Between Plaintiff and Defendant Paul R.
21 Mata to: (1) Entry of Final Judgment of Permanent Injunction; Restitution; and Civil Penalties; and
22 (2) Final Administrative Order (“Stipulation”) for the purposes of judicial economy and expediency,
23 and to avoid the expense of a trial, and possible further court proceedings between the parties hereto.

24 2. Mata admits jurisdiction of this Court over him and over the subject matter of this
25 action and also enters a general appearance in this action. Mata acknowledges that entry of a general
26 appearance equals personal service of the Summons on him pursuant to Code of Civil Procedure
27 section 410.50.

28 3. Mata agrees to the terms of this Stipulation and voluntarily consents to the entry of the

1 Final Judgment of Permanent Injunction; Restitution; and Civil Penalties Against Defendant Paul R.
2 Mata (“Final Judgment”). Attached here as **Exhibit A** is the proposed Final Judgment.

3 4. Mata voluntarily consents to the entry by the Commissioner of a final administrative
4 Order Barring Paul R. Mata From Any Position of Employment, Management or Control of Any
5 Investment Adviser, Broker-Dealer or Commodity Adviser Pursuant to Corporations Code Section
6 25213 (“Order Barring Mata”), attached hereto as **Exhibit B**, effective immediately upon execution
7 of this Stipulation. Mata further acknowledges his right to an administrative hearing under
8 Corporations Code section 25213 in connection with the Order Barring Mata, and hereby waives his
9 right to a hearing, and to any reconsideration, appeal, or other rights which may be afforded pursuant
10 to the CSL, the Administrative Procedure Act, the Code of Civil Procedure, or any other provision of
11 law in connection with this matter.

12 5. Mata admits that he received service of the Summons and Complaint filed in this
13 matter and admits to the following facts:

14 a) Mata, at all relevant times, served as the managing member and/or control
15 person of Defendants Renaissance, SCI, LREH, LMG, LLE, and LWA, and Relief Defendant WGC.

16 b) Mata offered and sold securities in Renaissance, SCI, LREH, and LLE to his
17 clients.

18 c) After Mata sold his investment advisory firm, LWA, to his assistant in March
19 2012, he continued to advise LWA clients regarding investments in securities in Renaissance, SCI,
20 LREH, and LLE without an investment adviser license, in violation of Corporations Code section
21 25230, subdivision (a).

22 d) Mata engaged in the business of a “financial planner,” as referenced in
23 Corporations Code section 25009, without a certificate from the Commissioner or an exemption from
24 the licensure requirement, in violation of Corporations Code section 25230, subdivision (a).

25 e) Mata did not disclose to investors in Renaissance, SCI, and LREH his past
26 disciplinary history by securities regulators for violations of the securities laws, including: (i) the
27 Summary Order to Cease and Desist issued by the State of Nevada on or around June 2, 2010; (ii) the
28 one year-suspension by the Financial Industry Regulatory Authority (“FINRA”) on or around March

1 22, 2011; and/or (iii) the Commissioner's Order Suspending Mata from April 1, 2014 through
2 September 1, 2014 ("Commissioner's Suspension Order"), in violation of Corporations Code section
3 25401, subdivision (b).

4 f) Mata did not disclose to his clients his past disciplinary history by securities
5 regulators for violations of the securities laws, including: (i) the Summary Order to Cease and Desist
6 issued by the State of Nevada on or around June 2, 2010; (ii) the one year-suspension by the
7 Financial Industry Regulatory Authority ("FINRA") on or around March 22, 2011; and/or (iii) the
8 Commissioner's Order Suspending Mata from April 1, 2014 through September 1, 2014
9 ("Commissioner's Suspension Order"), in violation of Corporations Code section 25235, subdivision
10 (d).

11 g) Mata, through LLE, published testimonials regarding his investment advisory
12 services on the websites, <http://logoslu.com/> and <http://createindestructiblewealth.com/>, in violation
13 of Corporations Code section 25235, subdivision (d).

14 h) Mata did not disclose in the offer and sale of SCI securities that Mata used new
15 SCI investor funds to pay off existing SCI investors, in violation of Corporations Code section
16 25401, subdivision (b).

17 i) Mata did not disclose in the offer and sale of SCI securities that Mata used SCI
18 investor funds to pay off Pincheira's personal American Express card, which Mata, Pincheira, and
19 Kayatta regularly used for personal expenses, in violation of Corporations Code section 25401,
20 subdivision (b).

21 j) Mata did not disclose in the offer and sale of SCI securities that SCI made
22 loans to entities he created that had no history of profits, such as WGC and LREH, in violation of
23 Corporations Code section 25401, subdivision (b).

24 k) Mata misrepresented to investors that LREH valued its investments based on
25 third party appraisals when in fact, LREH's fund manager, Kayatta, appraised them, in violation of
26 Corporations Code section 25401, subdivision (b).

27 l) Mata hired Kayatta and Pincheira to manage SCI's and LREH's assets and
28 paid Kayatta and Pincheira using proceeds from the offer and sale of securities in SCI and LREH.

1 m) While Mata was suspended by the Commissioner’s Suspension Order, Mata
2 continued to respond to his clients’ questions regarding their SCI investments, in violation of the
3 Commissioner’s Suspension Order.

4 6. Mata voluntarily consents to the entry by this Court of the Final Judgment, and waives
5 any defense to the Complaint.

6 7. Mata voluntarily waives entry of Findings of Fact and Conclusions of Law under Code
7 of Civil Procedure section 632 and all rights to appeal the entry of the Final Judgment.

8 8. Mata and Plaintiff hereby waive any claims known and unknown to them against each
9 other, their agents, officers, or employees that are based on the facts underlying the present action,
10 specifically waiving any rights provided by Civil Code section 1542. Civil Code section 1542
11 provides: “A general release does not extend to claims which the creditor does not know or suspect to
12 exist in his or her favor at the time of executing the release, which if known by him or her must have
13 materially affected his or her settlement with the debtor.”

14 9. Mata hereby agrees to a permanent injunction enjoining him from directly or
15 indirectly engaging in, committing, aiding and abetting, substantially assisting others or as a control
16 person performing, by any means whatsoever, any of the following acts:

17 a. Violating Corporations Code section 25230 by directly or indirectly acting as
18 an investment adviser without a certificate from the Commissioner authorizing him to engage in the
19 business of an investment adviser;

20 b. Violating Corporations Code section 25235 by directly or indirectly engaging
21 in any act, practice, or course of business which is fraudulent, deceptive, or manipulative while
22 engaging in the business of an investment adviser; and

23 c. Violating Corporations Code section 25401 by directly or indirectly offering to
24 sell or selling any security of any kind, including but not limited to, the securities described in the
25 Complaint, by means of any written or oral communication, which contains any untrue statement of
26 any material fact or omits or fails to state any material fact necessary in order to make the statements
27 made, in the light of the circumstances under which they are made, not misleading.

28 10. Mata agrees to the Court’s entry of a judgement of: (1) restitution against Mata and in

1 favor of Plaintiff in the total amount of \$14,000,000.00, (less the amount(s) recovered by Plaintiff or
2 the United States Securities and Exchange Commission (“SEC”) relating to the facts set forth in the
3 Complaint, subject to Paragraphs 11 – 13 below), and (2) civil penalties against Mata and in favor of
4 Plaintiff in the total amount of \$6,325,000.00, subject to Paragraphs 11 – 13 below.¹

5 11. Immediately upon execution of this Stipulation, Mata shall forfeit and assign to the
6 Receiver all right, title and interest in the monies and assets frozen pursuant to the SEC Preliminary
7 Injunction in Wells Fargo Bank account numbers ending in 0142, 9037, 1887, 0228, 4296, 5566,
8 3404, 4915, 6422, 2199, and U.S. Bank account numbers ending in 8415 and 5647 for the
9 administration of the receivership estate and payment of restitution to investors, and the full value of
10 these frozen monies and assets shall offset, or partially satisfy, the final judgment of \$14,000,000.00
11 in restitution and \$6,325,000.00 in civil penalties.

12 12. Any amounts the Receiver, in his final report and accounting of the receivership
13 estate, when approved and entered by the Court supervising the Receiver, determines that Mata and
14 Entity Defendants paid to investors from June 20, 2007 through the date of the entry of the Final
15 Judgment, shall offset, or partially satisfy, the final judgment of \$14,000,000.00 in restitution and
16 \$6,325,000.00 in civil penalties.

17 13. The parties agree that the following terms and conditions apply to the entry and
18 satisfaction of the final judgment of \$14,000,000.00 (less the amount(s) recovered by Plaintiff or the
19 SEC relating to the facts set forth in the Complaint) in restitution and \$6,325,000.00 in civil penalties:

20 a. During the pendency of the receivership, the California Department of
21 Business Oversight (“Department”) shall make no efforts to levy on or seize any income or assets of
22 Mata to satisfy the final judgment of restitution and civil penalties against Mata, and Mata shall make
23 any and all payments, which offset or satisfy the final judgment of restitution and civil penalties, to
24 the Receiver for the administration of the receivership estate.

25 b. After the court supervising the Receiver issues the Order closing the
26

27
28 ¹ All references to full or partial satisfaction of (1) restitution in the total amount of \$14,000,000.00, as well as (2) civil penalties in the total amount of \$6,325,000.00, shall include interest thereon at the legal rate per annum until said amount is paid in full.

1 receivership estate and discharging the Receiver, Mata shall make any and all payments, which offset
2 or satisfy the final judgment of restitution and civil penalties, to the Department. Any payments
3 made by Mata to the SEC toward restitution shall also offset and/or satisfy the final judgment of
4 restitution to Plaintiff in this matter.

5 14. The Court may enter the Final Judgment at any time without further notice to Mata or
6 a hearing.

7 15. The parties hereby acknowledge and agree that this Stipulation is intended to
8 constitute a full, final, and complete resolution of this matter between the parties to this Stipulation
9 for the claims made in the Complaint relating to Mata. The parties further acknowledge and agree
10 that nothing contained in this Stipulation shall operate to limit the Commissioner's ability to
11 investigate and prosecute violations of the CSL not addressed herein. Nothing shall prevent the
12 Commissioner from assisting any other agency (county, state, or federal) with any prosecution,
13 administrative, civil or criminal, brought by any such agency against Mata concerning violations
14 alleged herein or otherwise. Notwithstanding, the Stipulation remains a complete resolution as
15 regards to the action initiated against Mata by the Commissioner arising from the Complaint. Mata
16 further agrees and acknowledges that nothing in this Stipulation or in the Final Judgment in this
17 matter shall bind or otherwise prevent any other federal, state or county agency from the performance
18 of its duties.

19 16. Each party represents, warrants, and agrees that it has received and/or sought
20 independent advice from counsel, attorney(s), and/or representatives with respect to the advisability
21 of executing this Stipulation.

22 17. Each party represents, warrants, and agrees that in executing this Stipulation it has
23 relied solely on the statements set forth herein and the advice of its own counsel and/or
24 representative. Each party further represents, warrants, and agrees that in executing this Stipulation it
25 has placed no reliance on any statement, representation, or promise of any other party, or any other
26 person or entity not expressly set forth herein, or upon the failure of any party or any other person or
27 entity to make any statement, representation or disclosure of anything whatsoever. The parties have
28 included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to

1 execute this Stipulation; and (2) to preclude the introduction of parole evidence to vary, interpret,
2 supplement, or contradict the terms of this Stipulation.

3 18. In that the parties have had the opportunity to draft, review and edit the language of
4 this Stipulation, no presumption for or against any party arising out of drafting all or any part of this
5 Stipulation will be applied in any action relating to or arising out of this Stipulation. Accordingly, the
6 parties hereby waive the benefit of Civil Code section 1654 and any successor statute.

7 19. Mata enters into this Stipulation voluntarily and without coercion, and acknowledges
8 that no promises, threats or assurances were made by Plaintiff or any agents, officers, or employees
9 thereof to induce him to enter into this Stipulation.

10 20. Plaintiff and Mata stipulate and agree that if any paragraph, clause, or provision of this
11 Stipulation entered thereto, or the application thereof, is held invalid or unenforceable, such decision
12 shall affect only the paragraph, clause or provision so construed or interpreted, and the invalidity
13 shall not affect the provisions or the application of this Stipulation, or of the Final Judgment entered
14 thereto, which can be given effect without the invalid provisions or application. To this end, the
15 provisions of this Stipulation are declared by Plaintiff and by Mata to be severable.

16 21. The waiver of any provision of this Stipulation shall not operate to waive any other
17 provision set forth herein, and any waiver, amendment and/or change to the terms of this Stipulation
18 must be in writing signed by the parties hereto.

19 22. The parties stipulate and agree that this Court shall retain jurisdiction of this action in
20 order to implement and enforce the terms of this Stipulation and entry of Final Judgment pursuant
21 thereto, and to entertain any suitable application or motion for additional relief or modification or any
22 order made herein within the jurisdiction of this Court.

23 23. This Stipulation shall be governed by and construed in accordance with the laws of the
24 State of California, without regard to its conflict of laws rules. Any dispute concerning this
25 Stipulation shall be heard by the Court, and all parties waive any right to trial by jury with respect to
26 any such action or matter concerning this Stipulation.

27 24. This Stipulation is the final written expression and the complete and exclusive
28 statement of all the agreements, conditions, promises, representations, and covenants between the

1 parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous
2 agreements, negotiations, representations, understandings, and discussions between and among the
3 parties, their respective representatives, and any other person or entity, with respect to the subject
4 matter covered hereby.

5 25. Each signor hereto covenants that he/she possesses all necessary capacity and
6 authority to sign and enter into this Stipulation.

7 26. The parties may execute this Stipulation in one or more counterparts, each of which
8 shall be an original but all of which, together, shall constitute a single document.

9 27. The parties may execute this Stipulation by facsimile or scanned signature, and any
10 such facsimile or scanned signature by any party hereto shall be deemed to be an original signature
11 and shall be binding on such party to the same extent as if such facsimile or scanned signature were
12 an original signature.

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Dated: 4/15/16

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: 4/15/16

By _____
PAUL R. MATA, an Individual