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[Exempt from filing fees pursuant to
Government Code section 6103]

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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;
16 RENAISSANCE MANAGEMENT, LLC, a)
Nevada limited liability company; SECURED)
17 CAPITAL INVESTMENTS, LLC, a Nevada)
18 limited liability company; LOGOS REAL)
ESTATE HOLDINGS, LLC, a California)
19 limited liability company; LOGOS LIFETIME)
20 ENTERPRISES, LLC, a California limited)
liability company; LOGOS MANAGEMENT)
21 GROUP, LLC, a California limited liability)
company; LOGOS WEALTH ADVISORS,)
22 INC., a California corporation, and DOES 1)
23 through 50, inclusive,

Defendants,

24 And

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

28 Relief Defendants.

) CASE NO.
)
) COMPLAINT FOR INJUNCTIVE RELIEF;
) ANCILLARY RELIEF; AND CIVIL
) PENALTIES
)
) ACTING AS AN UNLICENSED
) INVESTMENT ADVISER
) (VIOLATION OF CORPORATIONS CODE
) SECTION 25230)
)
) FRAUD BY AN INVESTMENT ADVISER
) (VIOLATION OF CORPORATIONS CODE
) SECTION 25235)
)
) FRAUD IN THE OFFER AND SALE OF
) SECURITIES
) (VIOLATION OF CORPORATIONS CODE
) SECTION 25401)
)
) VIOLATION OF COMMISSIONER OF
) BUSINESS OVERSIGHT'S ORDER
) SUSPENDING PAUL MATA
)
) ASSIGNED FOR ALL PURPOSES TO:

1 The Commissioner of Business Oversight of the State of California (“Commissioner”), acting
2 to protect the public from unlicensed and unlawful investment advisers and the fraudulent sale of
3 securities brings this action in the public interest in the name of the People of the State of California.
4 The People of the State of California allege as follows on information and belief:

5 **JURISDICTION AND VENUE**

6 1. The Commissioner brings this action to enjoin the defendants from violating the
7 provisions of the Corporate Securities Law of 1968 (Corp. Code § 25000 et seq.) (“CSL”) and to
8 request necessary equitable and ancillary relief. The Commissioner is authorized to administer and
9 enforce the provisions of the CSL.

10 2. The Commissioner brings this action pursuant to Corporations Code section 25530
11 and Government Code section 11180 et seq. in her capacity as head of the Department of Business
12 Oversight (“Department”).

13 3. Defendants have transacted and continue to transact business within San Bernardino
14 County and other counties in California. The violations of law described herein have occurred and
15 will continue to occur, unless enjoined, within San Bernardino County and elsewhere within the state
16 of California.

17 **DEFENDANTS**

18 4. Defendant Paul R. Mata (“Mata”) is an individual and resident of San Bernardino
19 County with his principal place of business at 9327 Fairway View Place, Suite 106, Rancho
20 Cucamonga, California 91730-0969. Mata is and was conducting business in the County of San
21 Bernardino and elsewhere in California. At all relevant times, Mata is a managing member of the
22 following six named defendants: (i) Secured Capital Investments, LLC; (ii) Renaissance
23 Management, LLC; (iii) Logos Real Estate Holdings, LLC; (iv) Logos Lifetime Enterprises, LLC,
24 also conducting business as Logos Lifetime University; (v) Logos Management Group, LLC; and (vi)
25 Logos Wealth Advisors, Inc. (collectively, “Entity Defendants”). Mata is all relevant times, a
26 “control” person of the Entity Defendants within the meaning of Corporations Code sections 160 and
27 25403.
28

1 5. Defendant Renaissance Management, LLC (“Renaissance”) is a Nevada limited
2 liability company formed on or around June 20, 2007, with a principal place of business at 9327
3 Fairway View Place, Suite 106, Rancho Cucamonga, California 91730-0969. Mata is the managing
4 member of Renaissance.

5 6. Defendant Secured Capital Investments, LLC (“SCI”) is a Nevada limited liability
6 company formed on or around August 28, 2008, with a principal place of business at 9327 Fairway
7 View Place, Suite 106, Rancho Cucamonga, California 91730-0969. Mata is the managing member
8 of SCI.

9 7. Defendant Logos Management Group, LLC (“LMG”) is a California limited liability
10 company formed on or around February 16, 2011 with a principal place of business at 9327 Fairway
11 View Place, Suite 106, Rancho Cucamonga, California 91730-0969. Mata is the managing member
12 and control person of LMG.

13 8. Defendant Logos Real Estate Holdings, LLC (“LREH”) is a California limited liability
14 company formed on or around August 13, 2010, with a principal place of business at 9327 Fairway
15 View Place, Suite 106, Rancho Cucamonga, California 91730-0969. LMG is the managing member
16 of LREH.

17 9. Defendant Logos Lifetime Enterprises, LLC (“LLE”), also conducting business as
18 Logos Lifetime University (“LLU”) (collectively, “LLE/LLU”), is a Nevada limited liability
19 company formed on or around July 27, 2011, with a principal place of business at 9327 Fairway
20 View Place, Suite 106-U, Rancho Cucamonga, California 91730-0969. Mata is the managing
21 member of LLE.

22 10. Defendant Logos Wealth Advisors, Inc. (“LWA”) is a California corporation formed
23 on or around March 6, 2009, with a principal place of business at 3281 E. Guasti Road., 7th Floor,
24 Ontario, California 91761. At all relevant times, Mata is the founder and a control person of LWA.

25 11. Defendants Does 1 through 50 are persons, corporations, or other entities that have
26 done or will do acts otherwise alleged in this Complaint. Plaintiff is informed and believes, and on
27 such information and belief alleges, that defendants Does 1 through 50 inclusive, at all times
28 mentioned herein have acted and are continuing to act in concert with Mata and/or the Entity

1 Defendants named in Paragraphs 4 – 11 above (collectively, “Defendants”) and each of them has
2 participated in the acts and transactions which are the subject of this Complaint. The true names and
3 capacities of Does 1 through 50, whether individual, corporate, or otherwise, are unknown to
4 Plaintiff, who therefore sues such defendants under such fictitious names, pursuant to the provisions
5 of section 474 of the Code of Civil Procedure. Plaintiff asks leave of the Court to amend the
6 Complaint to allege the true names and capacities of such defendants at such time as the same have
7 been ascertained.

8 **RELIEF DEFENDANTS**

9 12. Relief Defendant David Francis Kayatta (“Kayatta”) is an individual and resident of
10 Los Angeles County. At all relevant times, Kayatta is operations and fund manager of SCI and a
11 manager of LREH. It is alleged on information and belief that Kayatta received compensation from
12 the Defendants’ fraudulent offer and sale of securities in one or more Entity Defendants.

13 13. Relief Defendant Mario Pincheira (“Pincheira”) is an individual and resident of San
14 Bernardino County. At all relevant times, Pincheira is an employee of LWA and SCI, as well as a
15 manager of LREH. It is alleged on information and belief that Pincheira received compensation from
16 the Defendants’ fraudulent offer and sale of securities in one or more Entity Defendants.

17 14. Relief Defendant World Gardens Café, LLC (“WGC”) is a California limited liability
18 company formed on or around October 24, 2011 with a principal place of business at 9327 Fairway
19 View Place, Suite 106, Rancho Cucamonga, California 91730-0969. Mata is a managing member of
20 WGC. It is alleged on information and belief that WGC received undisclosed compensation from the
21 Defendants’ fraudulent offer and sale of securities in one or more Entity Defendants.

22 15. Plaintiff is informed and believes and on such information and belief alleges that, at all
23 relevant times, the Defendants and each of them named as managers, officers, agents or employees,
24 acted in such capacities in connection with the acts, practices and schemes of business set forth
25 below.

26 16. Whenever any allegation is made in this Complaint to Defendants doing any act, the
27 allegation shall mean the act of each individual Defendant acting individually, jointly and severally
28 and the conspiring of these Defendants to so act. Each Defendant alleged to have committed any act

1 did so pursuant to and in furtherance of a common plan, scheme and conspiracy and as the agent for
2 each and every Co-Defendant. Each Defendant acted in conspiracy to violate the provisions of the
3 CSL.

4 17. Plaintiff is informed and believes and on such information and belief alleges that, at all
5 relevant times, each and every Defendant, directly or indirectly controlled other Co-Defendants by
6 knowingly inducing, or by knowingly providing substantial assistance to other Co-Defendants, to
7 violate the provisions of the CSL, as alleged in the Complaint within the meaning of Corporations
8 Code section 25403.

9 18. Any allegation made in this Complaint of any act by an Entity Defendant shall mean
10 an act done or authorized by the managers, officers, directors, agents, or employees of the Entity
11 Defendant while actively engaged in the management, direction, or control of the affairs of the Entity
12 Defendant, and while acting within the course and scope of their employment.

13 19. Plaintiff is informed and believes that at all times mentioned herein, the Entity
14 Defendants continued in existence as alter egos of Mata acting as unlicensed and unlawful investment
15 adviser(s) and/or offering and selling fraudulent securities.

16 20. At all times herein mentioned, the Entity Defendants were so influenced and
17 controlled by Mata in the conduct of its business and affairs that there existed a unity of interest and
18 ownership among said parties so that adherence to the fiction of separate corporate and individual
19 existences works an injustice upon the public.

20 I.

21 **STATEMENT OF FACTS**

22 21. From December 15, 1997 through April 1, 2009, Mata was an investment adviser
23 representative employed by Ameriprise Financial Services, Inc. (“Ameriprise”), a registered
24 investment adviser and broker-dealer firm. As a representative of Ameriprise, Mata engaged in the
25 business of providing investment advisory services, including managing financial assets, individual
26 retirement accounts, and investment accounts, and performing discretionary trading, for Ameriprise
27 clients.

1 22. On or around March 24, 2009, Ameriprise terminated Mata for violating company
2 policies, including, but not limited to, offering and selling securities without prior approval from
3 Ameriprise and failing to disclose his outside business activities to Ameriprise, including the offer
4 and sale of securities in the form of SCI Promissory Notes to Ameriprise clients.

5 23. To continue engaging in the business of an investment adviser after his termination
6 from Ameriprise, in April 2009, Mata created LWA, which obtained a certificate from the
7 Commissioner to engage in the business of an investment adviser on or around April 9, 2009. Mata
8 was the founder, CEO, and investment adviser representative of LWA.

9 24. On or around June 2, 2010, the Office of the Secretary of State, Securities Division,
10 for the State of Nevada issued a Summary Order to Cease and Desist to LWA, Mata, SCI, and others,
11 for: (1) advertising and offering unregistered securities in the form of SCI Promissory Notes to
12 Nevada residents; (2) omitting to state material facts in the offer and sale of securities; and (3) acting
13 as an unlicensed investment adviser in connection with the offer and sale of SCI securities (“Nevada
14 Cease and Desist Order”).

15 25. On or around March 22, 2011, Mata signed a Letter of Acceptance, Waiver and
16 Consent (“AWC”) agreeing to the Financial Industry Regulatory Authority’s (“FINRA”)¹ imposition
17 of: (1) a suspension for 12 months from association with any FINRA broker-dealer in any capacity;
18 and (2) a \$10,000.00 fine for violations of FINRA rules in connection with the offer and sale of SCI
19 securities.

20 26. On or around February 17, 2012, LWA filed a Form U5² terminating Mata’s
21 association with LWA as an investment adviser representative of LWA, listing the basis as “Decided
22 Not To Pursue Licensing At This Time.” Following Mata’s termination from LWA in February
23 2012, Mata was not authorized to engage in the business as an investment adviser without a
24 certificate from the Commissioner or unless exempt, but Mata never obtained a certificate and he is
25 not exempt.

26 _____
27 ¹ FINRA is a self-regulatory organization for the securities industry.

28 ² The Form U5 is the Uniform Termination Notice for Securities Industry Registration. *See*
<https://www.finra.org/file/form-u5-instructions>.

1 27. On or around March 12, 2012, LWA updated its Form ADV³ removing Mata as
2 President and Chief Compliance Officer and naming Mata's assistant as the new President and Chief
3 Compliance Officer.

4 28. On or around March 15, 2012, Mata sold LWA to his assistant by executing a
5 promissory note whereby LWA would make 162 monthly installment payments of \$5,000.00 to Mata
6 commencing on May 1, 2012 until December 1, 2025. To date, LWA's Form ADV filings fail to list
7 Mata as a related person or advisory affiliate. Despite the appearance of new management in its
8 Form ADV filings, LWA failed to disassociate with Mata.

9 29. On or around April 1, 2014, Mata entered into a Stipulation with the Commissioner
10 agreeing to the issuance of an Order suspending Mata for the period of April 1, 2014 through
11 September 1, 2014, from any position of employment, management, or control of any broker-dealer
12 or investment adviser ("Commissioner's Order"). The Commissioner's Order was based on FINRA's
13 March 22, 2011 suspension for violations of FINRA rules in connection with the offer and sale of
14 SCI securities.

15 **A. OFFER AND SALE OF SECURITIES BY MEANS OF FRAUD**

16 **(i) Renaissance Management, LLC**

17 30. On or around June 20, 2007, while Mata was employed at Ameriprise, Mata created
18 Renaissance. Mata is at all relevant times the managing member of Renaissance.

19 31. From around June 2007 through at least October 2009, Mata offered and sold
20 securities in the form of partnership interests in Renaissance to approximately 16 of his clients at
21 Ameriprise ("Renaissance Investors"), raising \$1,067,539.22, purportedly to invest in small
22 businesses and generate a profit for Renaissance Investors within two to three years.

23 32. However, Mata made untrue statements of material facts and misled Renaissance
24 Investors in the offer and sale of Renaissance securities by failing to disclose material facts,
25 including, but not limited to:

26 _____

27 ³ The Form ADV is the Uniform Application For Investment Adviser Registration And Report Form By Exempt
28 Reporting Advisers. See <http://www.sec.gov/about/forms/formadv.pdf>.

1 (a) Mata represented that Renaissance was a fund for investing in small businesses for a
2 profit, but failed to disclose that its only income stream to date was through collecting rents
3 from managing a single building;

4 (b) Mata promised a return on investment in Renaissance, but failed to disclose its
5 significant losses in prior years and lack of profits;

6 (c) Mata promised that investor principal plus interest would be returned in two to three
7 years; more than four years later, Mata failed to return the principal upon demand and instead
8 offered to “buy back” shares for 50% of the original investment;

9 (d) Mata gave Renaissance Investors a subscription agreement that promised a
10 “Memorandum” containing provisions for the agreement; none was ever provided.

11 **(ii) Secured Capital Investments, LLC**

12 33. On or around August 28, 2008, while Mata was employed at Ameriprise, Mata created
13 SCI and is the managing member of SCI.

14 34. From around October 2008 through at least December 2014, a period that covered his
15 suspensions by FINRA and the Commissioner and his employment by LWA, Mata offered and sold
16 securities in the form of SCI Promissory Notes to approximately 75 residents of California and other
17 states (“SCI Investors”), who were primarily his investment advisory clients. Mata raised
18 approximately \$12.5 million in SCI, purportedly to invest in tax lien certificates and distressed
19 properties.

20 35. However, Mata made untrue statements of material facts and misled SCI Investors in
21 the offer and sale of SCI securities by failing to disclose material facts, including, but not limited to:

22 (a) Mata represented that SCI was investing in tax lien certificates and distressed
23 properties for their “stable rates of return,” but failed to disclose that SCI had significant
24 investments in riskier ventures unrelated to tax lien certificates and distressed properties, such
25 as WGC, a health food company created and controlled by Mata, and a start-up company
26 managed by Kayatta and others called Innovation Economy Corp, a.k.a. Innovation Economy
27 Crowd, a.k.a. IE Crowd, which focuses on commercializing research;
28

- 1 (b) SCI's Private Placement Memorandum ("SCI PPM") promised unaudited financial
2 reports annually; in fact, they were not provided annually;
- 3 (c) The SCI PPM misrepresented the termination date after which no more SCI
4 Promissory Notes would be sold; in fact, SCI continued to sell SCI Promissory Notes beyond
5 the termination date so that it could cover payments to existing SCI Investors;
- 6 (d) Mata failed to disclose that new SCI Investor funds were being used to pay existing
7 SCI Investors when there was not enough income to make payments to existing SCI
8 Investors;
- 9 (e) SCI guaranteed a return to SCI Investors at the rate of 5% the first year, increasing 1%
10 each year until it reached 10% in the sixth year and 10% in the seventh year ("Guaranteed
11 Rate of Return"). SCI and Mata had no reasonable basis to guarantee this rate of return and
12 also failed to disclose that SCI Investors may not receive the Guaranteed Rate of Return;
- 13 (f) SCI failed to disclose the following material facts regarding its Guaranteed Rate of
14 Return:
- 15 (1) Between October 2012 through June 2015, it could not make distributions to
16 SCI Investors without relying on new SCI Investor money;
- 17 (2) SCI Investor funds were regularly used to pay off Pincheira's personal
18 American Express card, which Mata, Kayatta, and Pincheira used for SCI operating expenses
19 as well as personal expenses, with no third party oversight to keep personal expenses separate
20 from operating expenses;
- 21 (3) SCI made loans to entities created and controlled by Mata that had no history
22 of profits, such as WGC and LREH;
- 23 (4) SCI was more than \$500,000.00 in debt to LREH, which was another
24 investment fund created by Mata with investors who were expecting a return on investment;
- 25 (5) Renaissance is an investor in SCI and Mata was unable to pay Renaissance
26 Investors.
- 27
28

1 (g) Mata failed to disclose his past disciplinary actions by securities regulators for
2 violations of the securities laws in connection with his investment advisory activities and his
3 offer and sale of SCI securities, including:

- 4 (1) the Nevada Cease and Desist Order;
- 5 (2) the one year-suspension by FINRA; and
- 6 (3) the five month-suspension by the Commissioner;

7 (h) Mata failed to disclose that since February 2012, he was not authorized to engage in
8 the business of an investment adviser, as he had neither a certificate from the Commissioner
9 nor an exemption.

10 **(iii) Logos Real Estate Holdings, LLC and Logos Management Group, LLC**

11 36. On or around August 13, 2010, while Mata was employed by LWA, Mata created
12 LREH. LMG is the managing member of LREH, and Mata is the managing member LMG. Mata is
13 therefore the control person of LREH.

14 37. From around August 2011 through at least January 2013, a period covering the
15 FINRA suspension and his employment by LWA, Mata, individually and as manager of LMG,
16 offered and sold securities in the form of membership interests in LREH to at least 9 investors,
17 primarily LWA clients, (“LREH Investors”) raising at least \$1,183,532.16, purportedly to invest in
18 real estate.

19 38. Mata, individually and as manager of LMG, offered and sold LREH securities to
20 LREH Investors by making untrue statements of material facts, including, but not limited to:

- 21 (a) That December 31, 2012 was the final closing date for the offering, when in fact Mata
22 offered and sold LREH shares through at least January 2013, thereby diluting LREH
23 Investors’ interests;
- 24 (b) That after two years, Mata would distribute the principal plus interest and any profits
25 back to LREH investors, when in fact, more than three years later, LREH failed to make
26 distributions of principal, interest, or profits;
- 27 (c) That LREH’s investments would be valued at least annually based on third party
28 appraisals, when in fact LREH relied on the appraisals of LREH’s fund manager, Kayatta.

1 (d) That the Subscription Booklet for LREH must not be used if it is not accompanied by
2 a copy of the Confidential Private Placement Memorandum (“LREH PPM”), when in fact
3 Mata offered and sold LREH securities to at least one LREH Investor without first showing
4 him a copy of the LREH PPM.

5 39. Mata, individually and as manager of LMG, offered and sold LREH securities to
6 LREH Investors by failing to disclose material facts, including, but not limited to:

7 (a) Mata’s past disciplinary actions by securities regulators for violations of the securities
8 laws, including: (1) the Nevada Cease and Desist Order; and (2) the one year-
9 suspension by FINRA;

10 (b) As of February 2012, Mata was no longer an investment adviser representative of
11 LWA and had no certificate from the Commissioner or exemption to engage in the
12 business of an investment adviser.

13 **(iv) Logos Lifetime Enterprises, LLC**

14 40. On or around July 26, 2011, while Mata was employed by LWA and suspended by
15 FINRA, Mata created LLE. From June 2012 through March 2013, after his termination from LWA
16 and when he lacked a certificate or exemption to engage in the business of an investment adviser,
17 Mata continued to advise LWA clients regarding purchasing securities and offered and sold securities
18 in the form of membership interests in LLE to at least five investors, raising approximately
19 \$268,078.00.

20 41. Mata offered and sold the LLE securities by failing to disclose to LLE investors the
21 following material facts, including, but not limited to:

22 (a) Mata’s past disciplinary actions by securities regulators for violations of the securities
23 laws, including: (1) the Nevada Cease and Desist Order; and (2) the one year-
24 suspension by FINRA;

25 (b) As of February 2012, Mata was no longer an investment adviser representative of
26 LWA and had no certificate from the Commissioner or exemption to engage in the
27 business of an investment adviser.

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1 **B. ACTING AS AN UNLICENSED INVESTMENT ADVISER**

2 **(i) Unlicensed Activity After Termination from LWA**

3 42. On or around March 15, 2012, Mata sold LWA. Despite the appearance of new
4 management, LWA failed to disassociate with Mata. Mata continued to provide investment advice
5 through letters and in-person meetings to LWA clients and provided advice regarding purchasing
6 securities, including but not limited to SCI, LREH, and LLE securities, for continuous compensation.
7 Mata's continued contact with LWA clients gave him direct financial benefits, including the
8 promised monthly installments for the sale of LWA, as well management fees and/or commissions
9 for the offer and sale of SCI, LREH, and LLE securities.

10 **(ii) Unlicensed Activity Through LLE and LLU**

11 43. Throughout 2013, Mata lacked a certificate from the Commissioner to engage in the
12 business as an investment adviser. Despite holding himself out as a "wealth coach," Mata in fact was
13 engaged in unlicensed investment adviser activity. For example, in July 2013, Mata solicited an
14 LWA client for "input on the recommendations for the allocation of your portfolio: Specifically an
15 allocation to an annuity, LREH and more to SCI. I am concerned about putting more stocks as the
16 market is at all time highs and in fact fell dramatically last week. . . . We also need to process the
17 paperwork to transfer your 401k to your TD Ameritrade IRA."

18 44. In or around May 2014, Mata through LLE, conducting business as LLU
19 ("LLE/LLU"), held investor meetings and prepared for a "3-Day Wealth Building Bootcamp"
20 scheduled for September 11-13, 2014, at the Sheraton in Los Angeles, California ("Bootcamp
21 Seminar"). At the Bootcamp Seminar, Mata, as founder and CEO of LLE/LLU, spoke regarding
22 "Investing for Income," "Implementing Your Plan to Obtain Indestructible Wealth," and "Asset
23 Allocation Analysis," charging attendees approximately \$2,772.00. Neither LLE nor LLU is at any
24 relevant time a registered investment adviser or exempt from the registration requirement.

25 45. At least one client of LWA, LLE/LLU, and Mata, who also invested in SCI in 2010,
26 attended the Bootcamp Seminar and continued to have regular in-person meetings with Mata as
27 recently as May 2015, during which Mata advised the client regarding the value of securities in SCI
28 and TD Ameritrade.

1 46. In January 2015, Mata, as CEO of LLE, sent a Renaissance Investor and client a new
2 proposed agreement granting LLE the power to, among other things, “invest and reinvest in loans,
3 stocks, bonds . . . securities, real estate, life insurance, annuities” He also sent a “Logos
4 Lifetime Enterprises Financial Consulting Service Agreement” describing the work of the “financial
5 mentor” to “help clients as they plan to achieve their financial goals and dreams by using a
6 proprietary Indestructible Wealth Formula.” Mata enclosed a schedule of fees for various services,
7 and recommended a fee of \$1,750.00.

8 47. In or around March 2015, a Renaissance Investor demanded return of her investment
9 principal. Instead, Mata offered to repurchase the Renaissance Investor’s shares at 50% of value.
10 Mata then proceeded to give the following investment advice: that Mata did not “recommend” this
11 repurchase because he believed the Renaissance Investor “will get full value just a year later,” and
12 that repurchasing the shares would “forfeit any future income and earning potential.” He projected a
13 potential increase in value “exceed[ing] \$2.9 million at the end of 2016 . . . Please let me know how
14 you would like to proceed with regard to the sale of your shares.” However, Mata lacked a certificate
15 from the Commissioner or exemption authorizing him to advise the Renaissance Investor regarding
16 the buying and selling of securities.

17 **C. VIOLATION OF THE COMMISSIONER’S ORDER**

18 48. One month into Mata’s five month-suspension by the Commissioner, in or around
19 May 2014, Mata, acting as CEO of LLE/LLU, held investor meetings to prepare for the Bootcamp
20 Seminar scheduled for September 11-13, 2014. As such, Mata was acting in the position of
21 management and control of an investment adviser during his suspension.

22 49. Mata again violated the Commissioner’s Order when on or around July 26, 2014, he
23 responded to an LWA client who asked why the custodian of her SCI account had just notified her
24 that it was no longer serving as custodian. Mata acted in a position of management and control of
25 LWA when he responded, “We need to sign new documents with them since the promissory notes
26 renewal period is at hand. Every client received the same communication.”

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1 **D. FRAUD BY AN INVESTMENT ADVISER THROUGH**
2 **FAILURE TO DISCLOSE DISCIPLINARY EVENT**

3 50. California Code of Regulations, title 10, section 260.235.4, subdivision (a)(2) defines
4 “fraudulent, deceptive, or manipulative act” within the meaning of Corporations Code section 25235
5 for an investment adviser to fail to disclose to any client or prospective client all material facts with
6 respect to a “legal or disciplinary event that is material to an evaluation of the adviser’s integrity or
7 ability to meet contractual commitments to clients.”

8 51. Corporations Code section 25009, subdivision (b) defines “investment adviser” as
9 including “any person who uses the title ‘financial planner’ and who, for compensation, engages in
10 the business, whether principally or as part of another business, of advising others, either directly or
11 through publications or writings, as to the value of securities or as to the advisability of investing in,
12 purchasing or selling securities, or who, for compensation and as part of a regular business, publishes
13 analyses or reports concerning securities.”

14 52. From around 2013 to the present, Mata represented his services on written agreements
15 and the website, <http://createindestructiblewealth.com/>, as that of a “financial planner,” stating that he
16 was an “Indestructible Wealth Mentor & Founder Logos Lifetime Enterprises,” with “backgrounds in
17 both financial advising and business establishment . . . teaching individuals, retirees, entrepreneurs,
18 small businesses, and the self employed how to create indestructible wealth: a wealth that they can
19 never lose . . . exposing what traditional financial planners would never tell their clients.”

20 53. In February 2014, Mata sent a prospective investment advisory client documents
21 entitled, “Logos Lifetime University Financial Coaching/Mentoring Service Agreement” and “Client
22 Inventory.” The documents were signed and returned to Mata, whose was the designated “Mentor”
23 and CEO of LLE. The fee for the entire first year was \$2,997.00. After executing the client
24 agreement with Mata, on or around August 14, 2014, the client purchased SCI securities for
25 \$482,500.00.

26 54. Mata failed to disclose to at least one client who became an LLE/LLU client in or
27 around 2013 his past disciplinary actions by securities regulators for violations of the securities laws,
28 including:

- 1 a) the Nevada Cease and Desist Order;
- 2 b) the one year-suspension by FINRA; and
- 3 c) the five month-suspension by the Commissioner.

4 55. Mata’s failure to disclose these disciplinary events to his LLE/LLU client constituted
 5 fraud by an investment adviser within the meaning of California Code of Regulations, title 10, section
 6 260.235.4, subdivision (a)(2) and Corporations Code section 25235.

7 **E. FRAUD BY AN INVESTMENT ADVISER THROUGH TESTIMONIALS**

8 56. Pursuant to California Code of Regulations, title 10, section 260.235, subdivision
 9 (a)(1), it is fraudulent for an investment adviser to use testimonials in advertisements.

10 57. In or around 2013 through the present, Mata and/or LLE/LLU published, circulated,
 11 and distributed advertisements on the internet at <http://logoslu.com/> and
 12 <http://createindestructiblewealth.com/> containing client testimonials, including but not limited to:

- 13 a. “Paul Mata and LLU are a rarity in the Financial Planning world . . .
 14 After a 10 Years of working with other financial planners, I appreciate
 15 the value of an advisor that applies sound principles to a financial
 16 portfolio”
- 17 b. “Paul Mata has been a life saver for me. I was naive as I attempted to
 18 find myself a financial advisor and even though I interviewed three
 19 different companies, I still did not know what I was doing. The one I
 20 ended up with was not what I had expected and hoped for. When I
 21 found Paul, he was working for Water of Life’s School of Ministry . . .
 22 I went up after class and asked him to look at my finances. He said ‘Of
 23 course’ . . . Now, almost two years later, Paul has helped me with
 24 starting a LLC for my art business, helped me with a great budget and
 25 he encourages me to give back to the world in FAITH”
- 26 c. “Recently, I attended a 2 Day to Wealth Seminar put on by Logos
 27 Lifetime Enterprises. The information that I received there was not
 28 only helpful to get me on this path but it was very encouraging as well.
 I am looking forward to learning more by attending future events.”

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II.

FIRST CAUSE OF ACTION
CONDUCTING BUSINESS AS AN INVESTMENT ADVISER WITHOUT A CERTIFICATE
IN VIOLATION OF CORPORATIONS CODE SECTION 25230, SUBDIVISION (a)
(Against Defendants Mata and LLE)

58. Plaintiff incorporates by reference paragraphs 1 through 57 of this Complaint as though fully set forth herein.

59. Corporations Code section 25009 defines “investment adviser,” stating, in relevant part:

(a) “Investment adviser” means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing or selling securities, or who, for compensation and as a part of a regular business, publishes analyses or reports concerning securities . . .

(b) “Investment adviser” also includes any person who uses the title “financial planner” and who, for compensation, engages in the business, whether principally or as part of another business, of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing or selling securities, or who, for compensation and as part of a regular business, publishes analyses or reports concerning securities

60. Corporations Code section 25230, subdivision (a) provides:

(a) It is unlawful for any investment adviser to conduct business as an investment adviser in this state unless the investment adviser has first applied for and secured from the commissioner a certificate, then in effect, authorizing the investment adviser to do so or unless the investment adviser is exempted by the provisions of Chapter 1 (commencing with Section 25200) of this part or unless the investment adviser is subject to Section 25230.1.

61. From at least February 2012 through the present, Mata and LLE advised clients as to the value of securities or as to the advisability of investing in, purchasing or selling securities, including but not limited to promissory notes in SCI, membership interests or shares in LLE, and membership interests or shares in LREH.

1 69. Corporations Code section 25235, subdivision (d) provides in relevant part:

2 It is unlawful for any investment adviser, directly or indirectly, in this
3 state:

4

5 (d) To engage in any act, practice, or course of business which is
6 fraudulent, deceptive, or manipulative. The commissioner shall, for the
7 purpose of this subdivision, by rule define and prescribe means reasonably
8 designed to prevent such acts, practices, and courses of business as are
9 fraudulent, deceptive, or manipulative

10 70. California Code of Regulations, title 10, section 260.235.4, subdivision (a)(2) provides
11 in relevant part:

12 (a) It shall constitute a fraudulent, deceptive, or manipulative act, practice
13 or course of business within the meaning of Section 25235 of the Code for
14 any investment adviser to fail to disclose to any client or prospective client
15 all material facts with respect to: . . .

16 (2) A legal or disciplinary event that is material to an evaluation of the
17 adviser’s integrity or ability to meet contractual commitments to clients . .

18 71. From around July 2010 through the present, a period covering Mata’s employment by
19 LWA and Mata’s continuing management and control despite his termination from LWA, Mata and
20 LWA failed to disclose to their clients one or more of the following disciplinary events that are
21 material to the evaluation of their integrity or ability to meet contractual commitments:

22 (a) The July 2010 Nevada Cease and Desist Order issued to LWA, Mata, Kayatta, SCI,
23 and others, for unlicensed investment adviser activity in connection with the offer and sale of
24 unregistered securities in the form of SCI promissory notes;

25 (b) The April 2011 FINRA AWC suspending Mata, who was then the owner and CEO of
26 LWA, for one year, and imposing a \$10,000.00 fine for violation of FINRA Rule 2010 and
27 NASD Rules; and

28 (c) The April 2014 Commissioner’s Order Suspending Mata, who after being terminated
29 from LWA, continued to manage and control LWA, from any position of employment,
30 management, or control of any broker-dealer or investment adviser, for five months.

1 security to buy or sell, or (3) any other investment advisory service with
 2 regard to securities.

3 76. Mata and LLE, indirectly or directly published, circulated, or distributed testimonials
 4 regarding an investment adviser on the websites: <http://logoslu.com/> and
 5 <http://createindestructiblewealth.com/>, including but not limited to:

- 6 a. “Paul Mata and LLU are a rarity in the Financial Planning world . . .
 7 After a 10 Years of working with other financial planners, I appreciate
 8 the value of an advisor that applies sound principles to a financial
 9 portfolio”
- 10 b. “Paul Mata has been a life saver for me. I was naive as I attempted to
 11 find myself a financial advisor and even though I interviewed three
 12 different companies, I still did not know what I was doing. The one I
 13 ended up with was not what I had expected and hoped for. When I
 14 found Paul, he was working for Water of Life's School of Ministry . . .
 15 I went up after class and asked him to look at my finances. He said
 16 ‘Of course’ . . . Now, almost two years later, Paul has helped me with
 17 starting a LLC for my art business, helped me with a great budget and
 18 he encourages me to give back to the world in FAITH”
- 19 c. “Recently, I attended a 2 Day to Wealth Seminar put on by Logos
 20 Lifetime Enterprises. The information that I received there was not
 21 only helpful to get me on this path but it was very encouraging as well.
 22 I am looking forward to learning more by attending future events.”

23 77. Defendants Mata and LLE, by directly or indirectly publishing, circulating or
 24 distributing the testimonials on <http://logoslu.com/> and <http://createindestructiblewealth.com/>,
 25 engaged in fraudulent, deceptive, or manipulative practices regarding an investment adviser pursuant
 26 to California Code of Regulations, title 10, section 260.235, subdivisions (a)(1) and (b), in violation
 27 of Corporations Code section 25235, subdivision (d).

28 78. Defendants Mata’s and LLE’s continuous conduct, as set forth above, demonstrates
 the necessity for preliminary and, ultimately, permanent injunctive relief, an award of civil penalties
 and ancillary relief to deter, restrain and prevent such and similar acts in violation of Corporations
 Code section 25235, subdivision (d) pursuant to California Code of Regulations, title 10, section
 260.235, subdivisions (a)(1) and (b) in the future. Unless enjoined, Defendants Mata and LLE will
 continue to violate section 25235 of the Corporations Code.

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V.

FOURTH CAUSE OF ACTION
UNTRUE STATEMENTS AND OMISSIONS OF MATERIAL FACTS
IN VIOLATION OF CORPORATIONS CODE SECTION 25401, SUBDIVISION (B)
(Against Mata, Renaissance, SCI, LMG, LREH, LLE, and Does 1-50)

79. The Commissioner incorporates by reference paragraphs 1 through 78 of this Complaint as though fully set forth herein.

80. Commencing on or about October 2008, Mata, Renaissance, SCI, LMG, LREH, LLE, and Does 1-50 (“Issuers”) offered and sold securities in issuer transactions in the State of California.

81. The securities offered and sold by the Issuers and each of them, are “securities” within the meaning of Corporations Code section 25019. The securities included, but are not limited to, partnership interests in Renaissance, promissory notes in SCI, membership interests or shares in LLE, and membership interests in LREH. Since around October 2008, the Issuers and their agents and affiliates have raised at least \$14 million from the sale of these securities to at least 100 investors.

82. The securities were sold in issuer transactions within the meaning of Corporations Code sections 25010 and 25011.

83. The Issuers offered and sold these securities within the State of California within the meaning of Corporations Code sections 25008 and 25017.

84. Corporations Code section 25401, subdivision (b) provides, in pertinent part:

It is unlawful for any person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to do any of the following: . . .

(b) Make an untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

85. Mata and Renaissance offered and sold Renaissance securities by making an untrue statement of material fact or omitting to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to:

1 (a) Mata represented that Renaissance was a fund for investing in small businesses for a
2 profit, but failed to disclose that its only income stream to date was through collecting rents
3 from managing a single building;

4 (b) Mata promised a return on investment in Renaissance, but failed to disclose its
5 significant losses in prior years and lack of profits;

6 (c) Mata promised that investor principal plus interest would be returned in two to three
7 years; more than four years later, Mata failed to return her principal upon demand and instead
8 offered to “buy back” shares for 50% of the original investment;

9 (d) Mata gave Renaissance Investors a subscription agreement that promised a
10 “Memorandum” containing provisions for the agreement; none was ever provided.

11 86. Mata and SCI offered and sold SCI securities by making an untrue statement of
12 material fact or omitting to state a material fact necessary to make the statements made, in light of the
13 circumstances under which they were made, not misleading, including but not limited to:

14 (a) Mata represented that SCI was investing in tax lien certificates and distressed
15 properties for their “stable rates of return,” but failed to disclose that SCI had significant
16 investments in riskier ventures unrelated to tax lien certificates and distressed properties, such
17 as WGC, a health food company created and controlled by Mata, and a start-up company
18 managed by Kayatta and others called Innovation Economy Corp, a.k.a. Innovation Economy
19 Crowd, a.k.a. IE Crowd, which focuses on commercializing research;

20 (b) SCI’s Private Placement Memorandum (“SCI PPM”) promised unaudited financial
21 reports annually; in fact, they were not provided annually;

22 (c) The SCI PPM misrepresented the termination date after which no more SCI
23 Promissory Notes would be sold; in fact, SCI continued to sell SCI Promissory Notes beyond
24 the termination date so that it could cover payments to existing SCI Investors;

25 (d) Mata failed to disclose that new SCI Investor funds were being used to pay existing
26 SCI Investors when there was not enough money to make payments to existing SCI Investors;

27 (e) SCI guaranteed a return to SCI Investors at the rate of 5% the first year, increasing 1%
28 each year until it reached 10% in the sixth year and 10% in the seventh year (“Guaranteed

1 Rate of Return”) with no reasonable basis and also failed to disclose that SCI Investors may
2 not receive the Guaranteed Rate of Return;

3 (f) SCI failed to disclose the following material facts regarding its Guaranteed Rate of
4 Return:

5 (1) Between October 2012 through June 2015, it could not make distributions to
6 SCI Investors without relying on new SCI Investor money;

7 (2) SCI Investor funds were regularly used to pay off Pincheira’s personal
8 American Express card, which Mata, Kayatta, and Pincheira used for SCI operating expenses
9 as well as personal expenses, with no third party oversight to keep personal expenses separate
10 from operating expenses;

11 (3) SCI made loans to entities created and controlled by Mata that had no history
12 of profits, such as WGC and LREH;

13 (4) SCI was more than \$500,000.00 in debt to LREH, which was another
14 investment fund created by Mata with investors who were expecting a return on investment;

15 (5) Renaissance is an investor in SCI and Mata was unable to pay Renaissance
16 Investors.

17 (g) Mata failed to disclose his past disciplinary actions by securities regulators for
18 violations of the securities laws in connection with his investment advisory activities and his
19 offer and sale of SCI securities, including:

20 (1) the Nevada Cease and Desist Order;

21 (2) the one year-suspension by FINRA; and

22 (3) the five month-suspension by the Commissioner;

23 (h) Mata failed to disclose that since February 2012, he was not authorized to engage in
24 the business of an investment adviser, as he had neither a certificate from the Commissioner
25 nor an exemption.

26 87. Mata, individually and as manager of LMG, and LREH offered and sold LREH
27 securities by making an untrue statement of material fact or omitting to state a material fact necessary
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1 to make the statements made, in light of the circumstances under which they were made, not
2 misleading, as follows:

- 3 (a) Mata represented that December 31, 2012 was the final closing date for the offering,
4 when in fact Mata offered and sold LREH securities through at least January 2013, thereby
5 diluting LREH Investors' interests;
- 6 (b) Mata represented that after two years, Mata would distribute the principal plus interest
7 and any profits back to LREH investors, when in fact, more than three years later, LREH
8 failed to make distributions of principal, interest, or profits;
- 9 (c) Mata represented that LREH's investments would be valued at least annually based on
10 third party appraisals, when in fact LREH relied on the appraisals of the fund manager,
11 Kayatta;
- 12 (d) Mata represented that the Subscription Booklet for LREH must not be used if it is not
13 accompanied by a copy of the Confidential Private Placement Memorandum ("LREH PPM"),
14 when in fact Mata offered and sold LREH securities to at least one LREH Investor without
15 first showing him a copy of the LREH PPM.
- 16 (e) Mata, individually and as manager of LMG, failed to disclose his past disciplinary
17 actions by securities regulators for violations of the securities laws, including:
- 18 (1) the Nevada Cease and Desist Order; and
19 (2) the one year-suspension by FINRA;
- 20 (f) Mata, individually and as manager of LMG failed to disclose that as of February 2012,
21 Mata was no longer an investment adviser representative of LWA and had no certificate from
22 the Commissioner or exemption to engage in the business of an investment adviser.

23 88. Mata and LLE offered and sold the LLE securities by making an untrue statement of
24 material fact or omitting to state a material fact necessary to make the statements made, in light of the
25 circumstances under which they were made, not misleading, as follows:

- 26 (a) Mata failed to disclose his past disciplinary history by securities regulators for
27 violations of the securities laws, including:
- 28 (1) the Nevada Cease and Desist Order; and

1 (2) the one year-suspension by FINRA;
2 (b) Mata failed to disclose that as of February 2012, Mata was no longer an investment
3 adviser representative of LWA and had no certificate from the Commissioner or exemption to
4 engage in the business of an investment adviser.

5 89. The untrue statements and omissions referred to above were of material facts within
6 the meaning of Corporations Code section 25401, subdivision (b).

7 90. The Issuers' untrue statements and omissions were in connection with the offer and
8 sale of securities within the meaning of Corporations Code section 25401, subdivision (b).

9 91. The Issuers' untrue statements and omissions of material fact took place within the
10 state of California within the meaning of Corporations Code section 25401, subdivision (b).

11 92. The Issuers' continuous pattern of conduct, as set forth above, demonstrates the
12 necessity for preliminary and, ultimately, permanent injunctive relief, an award of civil penalties and
13 ancillary relief to deter, restrain and prevent such and similar acts in violation of Corporations Code
14 section 25401 in the future. Unless enjoined by this Court, the Issuers and each of them, will
15 continue to violate Corporations Code section 25401, subdivision (b).

16 **VI.**

17 **FIFTH CAUSE OF ACTION**
18 **VIOLATION OF COMMISSIONER OF BUSINESS OVERSIGHT'S ORDER SUSPENDING**
19 **PAUL MATA**
20 **(Against Mata)**

21 93. Plaintiff incorporates by reference paragraphs 1 through 92 of this Complaint as
22 though fully set forth herein.

23 94. Corporations Code section 25530 provides, in pertinent part, as follows:

24 (a) Whenever it appears to the commissioner that any person has engaged,
25 is engaging, or is about to engage in any act or practice constituting a
26 violation of any provision of this division or any rule or order hereunder,
27 the commissioner may in the commissioner's discretion bring an action in
28 the name of the people of the State of California in the superior court to
enjoin the acts or practices or to enforce compliance with this law or any
rule or order hereunder. Upon a proper showing, a permanent or
preliminary injunction, restraining order, or writ of mandate shall be
granted and a receiver, monitor, conservator, or other designated fiduciary

1 or officer of the court may be appointed for the defendant or the
2 defendant's assets, or any other ancillary relief may be granted as
3 appropriate.

4 (b) If the commissioner determines it is in the public interest, the
5 commissioner may include in any action authorized by subdivision (a) a
6 claim for ancillary relief, including but not limited to, a claim for
7 restitution or disgorgement or damages on behalf of the persons injured by
8 the act or practice constituting the subject matter of the action, and the
9 court shall have jurisdiction to award additional relief.

10 (c) In any case in which a defendant is ordered by the court to pay
11 restitution to a victim, the court may in its order require the payment as a
12 money judgment, which shall be enforceable by a victim as if the
13 restitution order were a separate civil judgment, and enforceable in the
14 same manner as is provided for the enforcement of any other money
15 judgment. Any order issued under this subdivision shall contain provisions
16 that are designed to achieve a fair and orderly satisfaction of the judgment.

17 95. On April 1, 2014, Mata agreed to the Commissioner's suspension of Mata from any
18 position of employment, management, or control by an investment adviser or broker-dealer from
19 April 1, 2014 through September 1, 2014. Yet, throughout that period, Mata acted in a position of
20 employment, management, or control of an investment adviser, including, but not limited to:

21 (a) In or around May 2014, Mata, acting as CEO of LLE/LLU, while engaging in the
22 business of an unlicensed investment adviser, held investor meetings to prepare for the
23 Bootcamp Seminar scheduled for September 11-13, 2014. As such, Mata was acting in the
24 position of management and control of an investment adviser during his suspension.

25 (b) On or around July 26, 2014, Mata acted in a position of management and control of
26 LWA when he responded to an LWA client who asked why the custodian of her SCI account
27 had just notified her that it was no longer serving as custodian. Mata responded, "We need to
28 sign new documents with them since the promissory notes renewal period is at hand. Every
client received the same communication."

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1 **VIII.**

2 **PRAYER**

3 WHEREFORE, Plaintiff prays for judgment as follows:

4 **A. INJUNCTIVE RELIEF FOR VIOLATIONS**

5 For Orders of Preliminary and Permanent Injunctions enjoining all Defendants, and each of
6 them, their respective officers, directors, successors in interest, agents, employees, attorneys in fact,
7 and all persons acting in concert or participating with them, and such Does as may be subsequently
8 named, from directly or indirectly violating:

9 a) Corporations Code section 25230, subdivision (a) by conducting business as an
10 investment adviser in this state unless the investment adviser has first applied for and secured from
11 the commissioner a certificate, then in effect, authorizing the investment adviser to do so;

12 b) Corporations Code section 25235, subdivision (d) by directly or indirectly, in this state
13 engaging in any act, practice, or course of business which is fraudulent, deceptive, or manipulative.

14 c) Corporations Code section 25401, subdivision (b) by offering to sell or selling any
15 security of any kind, including but not limited to, the securities described in this Complaint, by means
16 of any written or oral communication, which contains any untrue statements of any material fact or
17 omits or fails to state any material fact necessary in order to make the statements made, in the light of
18 the circumstances under which they are made, not misleading;

19 d) Removing, destroying, mutilating, concealing, altering, transferring, or otherwise
20 disposing of, in any manner, any books, records, computer programs, computer files, computer print-
21 outs, correspondence, brochures, manuals, or any other writings or documents of any kind as defined
22 under Evidence Code section 250 relating to the transactions and course of conduct as alleged in the
23 Complaint in this action, unless authorized by this Court;

24 e) Transferring, changing, disbursing, selling, dissipating, converting, conveying,
25 pledging, assigning, encumbering, or foreclosing or otherwise disposing of any real or personal
26 property or other assets in their possession or under their control, or in the possession of, or under the
27 control of, any of the Defendants, which property or other assets were derived or emanated from
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1 directly, or indirectly, the sale and issuance of securities as alleged in this Complaint, without leave
2 of the Court.

3 **B. CONSTRUCTIVE TRUST**

4 For a Final Judgment imposing a constructive trust on all funds and property of Relief Defendants
5 which are the proceeds, or traceable to the proceeds, of the unlawful activities of Defendants as set forth
6 herein, for the benefit of the defrauded investors.

7 **C. RESCISSION, RESTITUTION, AND DISGORGEMENT**

8 1. For a Final Judgment requiring Defendants and each of them, and such Does as may
9 be subsequently named, individually, jointly and severally, to rescind each and all of the unlawful
10 transactions alleged in this Complaint, as shall be determined by this Court to have occurred, and
11 further requiring Defendants and such Does as may be subsequently named individually, jointly and
12 severally, to pay full restitution to each person determined to have been subjected to Defendants' acts
13 or practices which constitute violations of the Corporations Code in violation of Corporations Code
14 section 25230, subdivision (a); section 25235, subdivision (d); and section 25401, subdivision (b),
15 with the total amount of funds being at least \$14 million less the amount of any repayment of
16 principal, or any other amount according to proof. In addition, to pay the legal rate of interest on the
17 amounts invested by the clients from the dates of their investments to the date of judgment herein.

18 2. For a Final Judgment requiring all Defendants, Relief Defendants, and such Does as
19 may be subsequently named, individually, jointly and severally, to disgorge according to proof, to all
20 known persons who invested, all benefits received, including but not limited to, salaries,
21 commissions, fees and profits, derived directly or indirectly, from the acts or practices which
22 constitute violations of the Corporations Code.

23 **D. CIVIL PENALTIES**

24 For a Final Judgment requiring Defendants and each of them, and such Does as may be
25 subsequently named, to pay \$25,000.00 to the Department as a civil penalty for each act in violation
26 of the CSL, as authorized by Corporations Code section 25535 as follows:
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1 1. As to the First Cause of Action, against Mata and LLE to be jointly and severally
2 liable for at least 75 violations of Corporations Code section 25230, subdivision (a) in the amount of
3 at least \$1,875,000.00, or any other amount according to proof;

4 2. As to the Second Cause of Action, against Mata and LWA to be jointly and severally
5 liable for at least 75 violations of Corporations Code section 25235, subdivision (d), pursuant to
6 California Code of Regulations, title 10, section 260.235.4, subdivision (a)(2) in the amount of at
7 least \$1,875,000.00, or any other amount according to proof;

8 3. As to the Third Cause of Action, against Mata and LLE to be jointly and severally
9 liable for at least 1 violation of Corporations Code section 25235, subdivision (d), pursuant to
10 California Code of Regulations, title 10, section 260.235, subdivisions (a)(1) and (b) in the amount
11 of at least \$25,000.00, or any other amount according to proof;

12 4. As to the Fourth Cause of Action against Mata, Renaissance, SCI, LMG, LREH, LLE,
13 and Does 1 through 50 to be jointly and severally liable for at least 100 violations Corporations
14 Code section 25401, subdivision (b) in the amount of at least \$2,500,000.00, or any other amount
15 according to proof;

16 5. As to the Fifth Cause of Action against Mata, for at least 2 violations of the Order
17 Suspending Paul Mata from any position of employment, management, or control of any broker-
18 dealer or investment adviser in the amount of at least \$50,000.00 or according to proof.

19 **E. OTHER RELIEF**

20 1. For an Order that this Court will retain jurisdiction of this action in order to implement
21 and carry out the terms of all orders and decrees that may be entered herein or to entertain any
22 suitable application or motion by Plaintiff for additional relief within the jurisdiction of this Court.

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2. For such other and further relief as the Court deems necessary and proper.

Dated: September 9, 2015
Los Angeles, California

Respectfully submitted,

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
SOPHIA C. KIM
Counsel
Attorney for Plaintiff