

**STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS**

TO: Gregory McKay
McKay Financial Corporation
9190 W. Olympic Blvd., #500
Beverly Hills, California 90212

**AMENDED DESIST AND REFRAIN ORDER
(For violations of section 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. At all relevant times herein, McKay Financial Corporation (“McKay Financial”), a Nevada corporation, which was formed in July 2001 was located at 9190 W. Olympic Blvd., #500, Beverly Hills, California 90212 with its registered agent located at 723 South Casino Center Blvd., Second Floor, Las Vegas, Nevada 89101. On August 1, 2008, the Nevada Secretary of State revoked McKay Financial’s corporation status.

2. At all relevant times herein, Gregory McKay was the President and owner of McKay Financial.

3. Beginning in around July 2003 and continuing through at least July 2008, Gregory McKay and McKay Financial offered and sold securities in the form of investment notes in McKay Financial to at least two investors totaling about \$1,000,000.

4. Gregory McKay and McKay Financial gave investors a Private Offering Memorandum. Investors were told that they would receive a return of twelve percent (12%) for the first year, fifteen percent (15%) per annum for the next two years and then eighteen percent (18%) after three years. Furthermore, investors were told that the net proceeds from the sale of the investment notes would be used by McKay Financial in its securities trading activities for its investment accounts. Investors were told that McKay Financial relied on trend analysis to place buy and sell orders and make other investment decisions, including hedging and whether to engage in short-selling.

5. In connection with the offer and sale of these securities, Gregory McKay and McKay

1 Financial omitted to state material facts necessary in order to make the statements made, in the light
2 of the circumstances under which they were made, not misleading. Gregory McKay and McKay
3 Financial omitted disclosing to investors that Gregory McKay was using investor money for his own
4 personal use.

5 The California Corporations Commissioner is of the opinion that the securities offered and
6 sold by Gregory McKay and McKay Financial were offered and sold in this state by means of written
7 or oral communications that failed to state material facts necessary in order to make the statements
8 made, in the light of the circumstances under which they were made, not misleading, in violation of
9 section 25401 of the Corporate Securities Law of 1968.

10 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Gregory McKay and
11 McKay Financial Corporation are hereby ordered to desist and refrain from offering or selling or
12 buying or offering to buy any security in the State of California, including, but not limited to,
13 investment notes in McKay Financial by means of any written or oral communication which includes
14 an untrue statement of a material fact or omits to state a material fact necessary in order to make the
15 statements made, in the light of the circumstances under which they were made, not misleading.

16 This Order is necessary, in the public interest, for the protection of investors and consistent
17 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

18 Dated: June 12, 2009
19 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

21 By _____
22 ALAN S. WEINGER
23 Deputy Commissioner
24 Enforcement Division
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