

1 STATE OF CALIFORNIA
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY
3 DEPARTMENT OF CORPORATIONS

4 TO: Wendy Matthews
5 10 Chrysler, Ste B
6 Irvine, CA 92618

7 DESIST AND REFRAIN ORDER
8 (For violations of section 25110 and 25401 of the Corporations Code)

9 The California Corporations Commissioner finds that:

10 1. At all relevant times Wendy Matthews (“Matthews”) was a sales agent of Super Absorbent
11 Company (“SAC”), a Nevada Corporation formed in May 2001, with offices located at 10 Chrysler,
12 Suite B, Irvine, California 92618.

13 2. Beginning in or around February 2003, SAC and Matthews offered and sold securities in the
14 form of common stock in SAC.

15 3. Beginning in February 2003 and continuing through the present, SAC and Matthews have
16 offered or sold securities in the state of California in the form of common stock in SAC by means of
17 unsolicited phone calls, including selling to unaccredited investors. SAC with Matthews’ substantial
18 assistance sold at least \$6,000,000 worth of common stock to investors.

19 4. The purported purpose of SAC in its \$5,000,000 Private Placement Memorandum dated June
20 1, 2003 was to use the net proceeds from the stock offering to improve and modernize their current
21 production facility, acquire equipment to increase production, lease and build a new facility, and to
22 further market their products, which consists of super-absorbent starch-based polymers primarily
23 used in agriculture to improve crop yields.

24 5. In connection with the offer and sale of these securities, Matthews made, or caused
25 to be made, misrepresentations of material facts or omitted to state material facts necessary in order
26 to make the statements made, in light of the circumstances under which they were made, not
27 misleading. Specifically, Matthews made the following misrepresentations and omissions:

28 a. Matthews misrepresented that SAC would have an initial public offering within

1 months of their private common stock offerings;

2 b. Mathews misrepresented that SAC’s forward looking profit projections were
3 attainable within the time period given, while the company has been operating at a significant loss;
4 and

5 c. Mathews failed to fully disclose the amount of compensation she received from
6 selling SAC stock to investors.

7 6. These securities were offered and sold in this state in issuer transactions. The Department of
8 Corporations has not issued a permit or other form of qualification authorizing any person to offer
9 and sell these securities in this state.

10 Based on the foregoing findings, the California Corporations Commissioner is of the
11 opinion that the SAC common stock sold by Mathews are securities subject to qualification under
12 the California Corporate Securities Law of 1968 (“CSL”) and are being or have been offered or sold
13 without being qualified or exempt, in violation of Section 25110 of the CSL.

14 Pursuant to Section 25532 of the CSL, Wendy Mathews is hereby ordered to desist and
15 refrain from the further offer or sale in the State of California of securities, including, but not limited
16 to stock, unless and until qualification has been made under said law or unless exempt.

17 Further, the California Corporations Commissioner is of the opinion that the securities offered
18 and sold by Mathews were offered in this state by means of written or oral communications that
19 included untrue statements of material fact or omitted to state material facts necessary in order to
20 make the statements made, in the light of the circumstances under which they were made, not
21 misleading, in violation of section 25401 of the CSL.

22 Pursuant to Section 25532 of the CSL, Wendy Mathews is hereby ordered to desist and
23 refrain from offering or selling or buying or offering to buy any security in the State of California,
24 including, but not limited to stock by means of any written or oral communication which includes an
25 untrue statement of a material fact or omits to state a material fact necessary in order to make the
26 statements made, in the light of the circumstances under which they were made, not misleading.

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

Dated: August 16, 2007

Los Angeles, California

PRESTON DUFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Lead Corporations Counsel
Enforcement Division