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

TO: Donald Robert Ford
Roy Clyde Peterson
Gregory Allen Edwards
Ford Financial & Tax Inc.
1374 1/2 E Colorado St.
Glendale, CA 91205

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

The California Corporations Commissioner finds that:

1. At all relevant times, Donald Robert Ford, (hereinafter, “Ford”) was a natural person and a resident of California and was the control person of Ford Financial and Tax Inc. Ford’s business address is 1374 1/2 E Colorado St., Glendale, California, 91205.
2. At all relevant times, Ford Financial and Tax Inc. (hereinafter, “Ford Financial”) is a suspended California corporation. Ford Financial’s principal place of business and last known address is 1374 1/2 E Colorado St., Glendale, California, 91205.
3. At all relevant times, Roy Clyde Peterson (hereinafter, “Peterson”) was a natural person. Peterson’s last known address is also believed to be 1374 1/2 E Colorado St., Glendale, California, 91205.
4. At all relevant times, Gregory Allen Edwards (hereinafter, “Edwards”) was a natural person. Edwards’ last known address business address is also is believed to be 1374 1/2 E Colorado St., Glendale, California, 91205.
5. Beginning in or about December, 2004, and at least through December, 2007, Ford, Peterson, Edwards and Ford Financial offered and/or sold securities in the form of investment contracts or

1 shares in a “European Bond Fund,” often backed by a promissory note issued by Ford, which itself is
2 a security.

3 6. Ford, Peterson, Edwards, and Ford Financial offered and sold the aforementioned securities
4 by means of general solicitation, using Ford Financial’s client list and private client financial
5 information in order to target senior citizens with the means to invest in these securities. Through
6 these methods and others, Ford, Peterson, Edwards, and Ford Financial sold securities to at least 40
7 investors and raised over \$1.3 million.

8 7. The purported purpose of the sale of said securities was to invest the client’s funds in a
9 lucrative “European Bond Fund,” with promises of doubling the client’s investment in a short amount
10 of time.

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

14 9. The offer and sale of these investment contracts or shares in a “European Bond Fund” backed
15 by Ford’s promissory notes were to residents of California.

16 10. In connection with these offers and sales, Ford, Peterson, Edwards, and Ford Financial
17 made the following material misrepresentations or omissions:

- 18 a. the European Bond Fund investment was a “sure thing,” in fact, investors’ money was
19 not used to develop the Bond Fund;
- 20 b. investors would earn a 10% return on their original investment, in fact, other investors
21 who had invested in the scheme had not received any profit, interest, or even their
22 principal back;
- 23 c. Ford, himself, had invested over \$100,000.00, in fact, Ford had not invested any
24 money and used other investors monies for his personal expenses;
- 25 d. the investment was secured by a promissory note, personally guaranteed by Ford, in
26 fact, the investment’s were not adequately secured.

27 11. None of the investor monies were ever invested in a European Bond Fund. Ford collected
28 over \$1.3 million from investors and either spent the money or transferred the money to other

1 accounts, largely including those belonging to Peterson and Edwards. These funds were used for
2 personal expenses.

3 12. Based upon the foregoing findings, the California Corporations Commissioner is of the
4 opinion that the investment contracts, shares in a European Bond Fund, and/or promissory notes
5 issued by Ford, and offered and/or sold by Ford, Peterson, Edwards and Ford Financial are securities
6 subject to qualification under the California Corporate Securities Law of 1968 and that these
7 securities are being or have been offered or sold without being qualified in violation of Corporations
8 Code section 25110.

9 13. Pursuant to section 25532 of the Corporate Securities Law of 1968, Donald Robert Ford, Roy
10 Clyde Peterson, Gregory Allen Edwards and Ford Financial & Tax Inc. are hereby ordered to desist
11 and refrain from the further offer or sale of securities in the State of California, including but not
12 limited to, the investment contracts, shares in a European Bond Fund, and/or promissory notes issued
13 by Ford unless and until qualification has been made under the law or unless exempt. This Order is
14 necessary, in the public interest, for the protection of investors and consistent with the purposes,
15 policies, and provisions of the Corporate Securities Law of 1968.

16 14. Further, the California Corporations Commissioner is of the opinion that the securities in the
17 form of investment contracts, shares in a European Bond Fund, and/or promissory notes issued by
18 Ford were offered or sold in this state by Ford, Peterson, Edwards and Ford Financial through means
19 of written or oral communications which included untrue statements of material facts and/or omitted
20 to state a material facts necessary in order to make the statements made, in the light of the
21 circumstances under which they were made, not misleading, in violation of section 25401 of the
22 Corporate Securities Law of 1968.

23 15. Pursuant to section 25532 of the Corporate Securities Law of 1968, Donald Robert Ford, Roy
24 Clyde Peterson, Gregory Allen Edwards and Ford Financial & Tax Inc. are hereby ordered to desist
25 and refrain from offering or selling or buying or offering to buy any security in the State of
26 California, including but not limited to investment contracts, shares in a European Bond Fund, and/or
27 promissory notes issued by Ford, by means of any written or oral communication which includes an
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1 untrue statement of a material fact or omits to state a material fact necessary in order to make the
2 statements made, in the light of the circumstances under which they were made, not misleading.

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

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7 Dated: January 4, 2010
8 Sacramento, California

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Preston DuFauchard
California Corporations Commissioner

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By _____
Alan S. Weinger
Deputy Commissioner
Enforcement Division

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