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

**TO:** Robert T. Reese (aka Bob Reese)  
IFA Holding, Inc.  
Cypress Financial NW, Inc. (aka Cypress Financial, Inc.)  
  
316 Mid Valley Center, #159  
Carmel, California 93923  
  
9920 Holt Road  
Carmel, CA 93923

**REVISED AMENDED DESIST AND REFRAIN ORDER**  
**(For violations of section 25110, 25210, 25230 and 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. At all relevant times, Robert T. Reese, also known as Bob Reese, was President of IFA Holding, Inc., an active Washington State Corporation.
  
2. At all relevant times, Robert T. Reese, also known as Bob Reese, was General Manager of Cypress Financial NW, Inc. (aka Cypress Financial, Inc.), an active Washington State Corporation.
  
3. Beginning in or about November 2001, Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., offered or sold securities in the State of California in the form of investment contracts representing interests in a “Secured Capital Enhancement Program.” Robert T. Reese, IFA Holding, Inc., later known as Cypress Financial NW, Inc., then pooled the investors’ monies and invested them with a company known as Dobb White & Co., a U.K. accounting firm, under the

1 management of Shinder Singh Gangar and Alan White. Robert T. Reese, IFA Holding, Inc., and  
2 Cypress Financial Inc. promised investors returns based on bond trading through Dobb White & Co.,  
3 and investors were told that interest payments in the program would be 1.66 percent per month. The  
4 purported purpose of the offering was to raise funds to engage in bond trading, with guaranteed  
5 security of principal. The bond trading program was described to at least one investor in a document  
6 written by Gary Lynn McDuff of Overseas Development Bank and Trust.

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8 4. Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., offered or sold  
9 investment contracts representing interests in the "Secured Capital Enhancement Program" in the  
10 amount of \$25,000 to one investor, and in the amount of \$20,000 to another investor.

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12 5. Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc. also offered or sold  
13 securities in the form of investment contracts in an investment called The People's Avenger Fund  
14 Business Trust, which purportedly was a domestic investment wherein the monies would be used by  
15 a bank to also engage in syndicated bond trading and which would also be insured.

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

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21 7. Neither Robert T. Reese, IFA Holding, Inc., nor Cypress Financial NW, Inc., had a valid  
22 broker-dealer certificate issued by the Department of Corporations or the U.S. Securities and  
23 Exchange Commission (SEC) at any time authorizing any of them to engage in broker-dealer activity.

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25 8. Beginning in or about November 2001, Robert T. Reese, IFA Holding, Inc., and Cypress  
26 Financial NW, Inc., provided discretionary investment advice to one or more investors in connection  
27 with the "Secured Capital Enhancement Program."

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1 9. Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., received compensation  
2 for the investment advisory services they provided to one or more investors.

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4 10. Neither Robert T. Reese, IFA Holding, Inc., nor Cypress Financial NW, Inc., had a valid  
5 investment adviser certificate issued by the Department of Corporations or the U.S. Securities and  
6 Exchange Commission (SEC) at any time authorizing any of them to engage in investment adviser  
7 activities.

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9 11. In connection with these offers and sales, Robert T. Reese, IFA Holding, Inc., and Cypress  
10 Financial NW, Inc., represented or failed to represent to investors that:

11 a. Robert T. Reese was an “Independent Financial Advisor” when he held no license  
12 authorizing him to act as an investment adviser;

13 b. The “Secured Capital Enhancement Program” investment was extremely conservative, and  
14 involved bond trading with the security of the principal guaranteed by Lloyds of London when the  
15 insurance policy contained exclusions, including but not limited to exclusions to coverage for any  
16 business activities performed which have not been authorized by law;

17 c. That Robert T. Reese knew Gary Lynn McDuff personally and that Gary Lynn McDuff  
18 was an experienced banker who was trustworthy, when Robert T. Reese knew there were issues with  
19 Gary Lynn McDuff and Overseas Development Bank and Trust;

20 d. That the Financial Services Authority (FSA) in the United Kingdom was taking court  
21 proceedings against Dobb White & Co. for allegedly taking deposits of at least \$15.7 million without  
22 authorization and in contravention of the Banking Act of 1997 and/or obtained an asset freeze in  
23 1999, and that the FSA in November, 1998 obtained an order freezing the assets of Dobb White &  
24 Co. and the personal assets of Mr. Shinder Singh Gangar and Mr. Alan White;

25 e. That Robert T. Reese and Cypress Financial, Inc. had invested other investors’ monies in a  
26 prior investment program with a Mr. Anthony Marino, who was the principal of a company known as  
27 Mousa Enterprises, Inc. which also deposited funds with Dobb White & Co. which was also sued in  
28 relation to that investment by investors for a return of their money;

1 f. The principal in the Secured Capital Enhancement Program could be withdrawn at any  
2 time with a 30-day written notice. In fact, at least one investor requested, in writing, the return of his  
3 investment, but Robert T. Reese, IFA Holding, Inc. and Cypress Financial NW, Inc. failed to return  
4 the funds;

5 g. The representations Robert T. Reese, IFA Holding, Inc. and Cypress Financial NW, Inc.  
6 made to investors regarding the legitimacy and safety of the investment in the Secured Capital  
7 Enhancement Program were based on representations that came from Mr. Shinder Singh Gangar, and  
8 Mr. Alan White, and Robert T. Reese IFA Holding, Inc., and Cypress Financial NW, Inc. failed to do  
9 any independent due diligence concerning these representations.

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11 12. In connection with these offers and/or sales, Robert T. Reese, IFA Holding, Inc., and Cypress  
12 Financial NW, Inc., misrepresented to investors that investments in the Secured Capital Enhancement  
13 Program were safe given that:

14 a. In 2001 and 2002, Gangar and White had received investor funds in connection with a  
15 fictitious investment program operated by Terry L. Dowdell through Vavasour Corporation, a  
16 Bahamian company controlled by Dowdell. Dowdell was the subject of an SEC fraud action and  
17 admitted to the fraud in June 2002. Dowdell admitted there were no trades or investments, but rather  
18 the investors were paid “profits” in a typical Ponzi scheme from new investor funds. Dowdell  
19 pleaded guilty to 20 felony charges in December 2002 involving securities fraud and money  
20 laundering.

21 b. Dowdell further admitted that Overseas Development Bank and Trust, for which McDuff  
22 was a Senior Trust Officer, was used in furtherance of the fraud.

23 c. By the time Reese made the purported demand to Dobb White & Co. on December 16,  
24 2002, for the return of the investor funds, Gangar and White had been arrested in the United  
25 Kingdom in October 2002 on suspicion of involvement in Dowdell’s fraudulent investment program,  
26 and the FSA had obtained a worldwide asset freeze against Gangar and White and Dobb White & Co.

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1           Based upon the foregoing findings, the California Corporations Commissioner is of the  
2 opinion that the investment contracts representing an interest in the Secured Capital Enhancement  
3 Program are securities subject to qualification under the California Corporate Securities Law of 1968  
4 and are being or have been offered or sold without being qualified in violation of Corporations Code  
5 section 25110. Pursuant to section 25532 of the Corporate Securities Law of 1968, Robert T. Reese,  
6 IFA Holding, Inc., and Cypress Financial NW, Inc., are hereby ordered to desist and refrain from the  
7 further offer or sale in the State of California of securities, including but not limited to investment  
8 contracts, unless and until qualification has been made under the law.

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10           In addition, based upon the foregoing, the California Corporations Commissioner is of the  
11 opinion that Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., have effected  
12 transactions in securities as broker-dealers without having first applied for and secured from the  
13 Commissioner a certificate authorizing these persons to act in that capacity, in violation of section  
14 25210 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the Corporate  
15 Securities Law of 1968, Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., are  
16 hereby ordered to desist and refrain from effecting any transaction in, or inducing or attempting to  
17 induce the purchase or sale of, any security in this state, unless and until they have applied for and  
18 secured from the Commissioner a certificate, then in effect, authorizing these persons to act in that  
19 capacity.

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21           Also, based upon the foregoing findings, the California Corporations Commissioner is of the  
22 opinion that Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., have conducted  
23 business as investment advisers in this state without first applying for and securing from the  
24 commissioner a certificate authorizing them to do so, in violation of section 25230 of the Corporate  
25 Securities Law of 1968. Pursuant to section 25532 of the Corporate Securities Law of 1968, Robert  
26 T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., are hereby ordered to desist and refrain  
27 from acting as investment advisers in the State of California unless and until they have first applied

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1 for and secured from the Commissioner a certificate, then in effect, authorizing them to act as  
2 investment advisers.

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4 Further, the California Corporations Commissioner is of the opinion that the securities  
5 representing interests in a "Secured Capital Enhancement Program" through Dobb White & Co. were  
6 offered or sold in this state by means of written or oral communications which included an untrue  
7 statement of a material fact or omitted to state a material fact necessary in order to make the  
8 statements made, in the light of the circumstances under which they were made, not misleading, in  
9 violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the  
10 Corporate Securities Law of 1968, Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW,  
11 Inc., are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any  
12 security in the State of California, including but not limited to investment contracts, by means of any  
13 written or oral communication which includes an untrue statement of a material fact or omits to state  
14 a material fact necessary in order to make the statements made, in the light of the circumstances  
15 under which they were made, not misleading.

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

19 Dated: August 19, 2008  
20 Sacramento, California

21  
22 PRESTON DuFAUCHARD  
23 California Corporations Commissioner

24  
25 By \_\_\_\_\_  
26 ALAN S. WEINGER  
27 Acting Deputy Commissioner  
28 Enforcement Division