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7

8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

10 In the Matter of the Order of THE ) SETTLEMENT AGREEMENT  
11 CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, )  
13 Complainant, )  
14 v. )  
15 JARED GROCHOWSKI and REVE )  
16 ENTERPRISES, LLC )  
17 Respondents. )  
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1 This Settlement Agreement (“Agreement”) is entered into by and between Jared Grochowski  
2 (“Grochowski”) and Reve Enterprises, LLC (“Reve”) (collectively, “Respondents”), on the one  
3 hand, and the California Corporations Commissioner, Jan Lynn Owen (“Commissioner”), on the  
4 other hand, with respect to the following facts:

5 **RECITALS**

6 A. At all times relevant hereto, Reve was a Nevada limited liability company located at  
7 101 E. Redlands Blvd., Suite 215, Redlands, CA 92373. Reve’s limited liability status was revoked  
8 effective May 1, 2010.

9 B. At all times relevant hereto, Grochowski was an individual whose last known  
10 business address is 101 E. Redlands Blvd., Suite 215, Redlands, CA 92373. Grochowski is the  
11 owner, president and a “control” person of Reve, as defined by California Corporations Code section  
12 160.

13 C. On October 5, 2011, the Commissioner issued a Desist and Refrain Order (“Order”),  
14 finding that Respondents offered and sold unqualified, non-exempt securities by means of  
15 misrepresentations and/or omissions of material fact in violation of sections 25110 and 25401 of the  
16 Corporate Securities Law of 1968, California Corporations Code section § 25000 *et seq.* (“CSL”). A  
17 true and correct copy of the Order is attached hereto as Exhibit A and incorporated herein by  
18 reference.

19 D. Respondents timely requested a hearing on the allegations set forth in the Order.

20 E. It is the intention and desire of the parties to resolve this matter without the necessity  
21 of a hearing and/or other litigation.

22 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set  
23 forth herein, the parties agree as follows:

24 **TERMS AND CONDITIONS**

25 1. This Agreement is entered into for the purpose of judicial economy and expediency,  
26 and to avoid the time and expense of an administrative hearing and possible further court  
27 proceedings.  
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2. Without admitting or denying the allegations contained in the Order, Respondents hereby stipulate to issuance of the Order attached hereto as Exhibit A. In the event that any future proceeding(s) are initiated by or brought before the Commissioner against Respondents, Respondents shall not dispute the allegations contained in the Order or this Agreement, including the Recitals.

3. Respondents hereby waive their right to a hearing on the allegations set forth in the Order. Respondents acknowledge their right to an administrative hearing under CSL section 25532 in connection with the Order, and hereby waive that right to a hearing, and to any reconsideration, appeal, or other right which may be afforded pursuant to the CSL, the California Administrative Procedure Act, the California Code of Civil Procedure or any other provision of law in connection with this matter.

4. The parties hereby acknowledge and agree that this Agreement is intended to and shall constitute a final and complete resolution of the Order, and constitutes the entire Agreement between the parties with respect thereto. This Agreement supercedes any and all prior or contemporaneous agreements between the parties hereto.

5. Notwithstanding any other provision contained herein, nothing in this Agreement shall operate to limit the Commissioner’s ability to investigate and prosecute violations of the CSL not addressed herein, or to assist any other agency (county, state or federal) with any investigation and/or action brought by such agency concerning violations alleged herein or otherwise.

6. Each party hereto represents and warrants that it has received independent advice from its attorney(s) and/or other representatives prior to entering into this Agreement, and in executing this Agreement relied solely on this statements set forth herein and the advice of its own counsel and/or representative.

7. In that the parties have had the opportunity to draft, review and edit the language of this Agreement, no presumption for or against any party arising out of drafting all or any part of this Agreement will be applied in any action relating to or arising out of this Agreement. Accordingly, the parties hereby waive the benefit of California Civil Code section 1654 and any successor statute.





1           5.       The foregoing securities were offered and sold in this state in issuer transactions. The  
2 Department of Corporations has not issued a permit or other form of qualification authorizing any  
3 person or entity to offer and sell these securities in this state.

4           6.       In 2008, Respondents offered securities in the form of Reve Units to a California  
5 resident (“Resident”). The Resident purchased \$45,000 in Reve Units.

6           7.       In connection with the offer and sale, Respondents made the following  
7 misrepresentations and omissions of material fact:

- 8           a.       The Resident would receive monthly statements reflecting a return of 2-4% per month  
9           to be paid through dividends; in fact, Respondents never paid the Resident a single  
10          dividend or sent a single monthly statement.
- 11          b.       The Resident could obtain the return of his principal on request, and it would be  
12          returned in approximately three (3) weeks; in fact, the Resident made repeated written  
13          and oral demands for the return of his investment, and Respondents failed to return the  
14          money.
- 15          c.       There was security for the Resident’s investment and it was “safe.” In fact, there was  
16          no real security for the investment and the Resident lost his entire investment.
- 17          d.       Failed to disclose that they have no permit or other qualification to offer or sell  
18          securities, and no certificate to act as broker-dealers or investment advisers.  
19          Respondents’ web sites falsely state that Grochowski has an “S.E.C. registration”  
20          when in fact, Grochowski has never been registered as a broker-dealer.
- 21          e.       Failed to disclose that investor money would be commingled with Grochowski’s  
22          personal money, and transferred to the personal checking accounts of both he and his  
23          wife.
- 24          f.       Failed to disclose that Reve had only been in existence for a few months at the time  
25          the Resident invested.

26               Based on the foregoing findings, the Commissioner is of the opinion that Reve Enterprises,  
27 LLC and Jared Grochowski have engaged in the offer and sale of securities, including but not limited  
28 to stock or “units” in Reve. These securities have not been qualified under the Corporate Securities

1 Law of 1968, California Corporations Code section 25000 *et. seq.*, in violation of section 25110 of  
2 the Corporations Code. Pursuant to section 25532 of the Corporations Code, Reve Enterprises, LLC  
3 and Jared Grochowski are hereby ordered to desist and refrain from the further offer or sale in the  
4 State of California of securities, including but not limited to stock or “units” in Reve, unless and until  
5 qualification has been made under said law or unless exempt.

6 In addition, based on the foregoing findings, the Commissioner is of the opinion that Reve  
7 Enterprises, LLC and Jared Grochowski have offered and sold securities by means of written and oral  
8 communications including untrue statements of material fact and omissions of material fact necessary  
9 to make the statements, in light of the circumstances under which they were made, not misleading, in  
10 violation of section 25401 of the Corporations Code. Pursuant to section 25532 of the Corporations  
11 Code, Reve Enterprises, LLC and Jared Grochowski are hereby ordered to desist and refrain from  
12 offering or selling any security in the State of California by means of any written or oral  
13 communication which includes an untrue statement of a material fact, or omits to state a material fact  
14 necessary in order to make the statements made, in the light of the circumstances under which they  
15 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: October 5, 2011  
20 Los Angeles, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

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22  
23 By \_\_\_\_\_  
24 ALAN S. WEINGER  
25 Deputy Commissioner  
26 Enforcement Division  
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