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**STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT**

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TO: Spirit of California Entertainment Group Inc.
James Brent Rogers
Phillip Lee McKitterick
180 La Montagne Court
Los Gatos, California 95032

DESIST AND REFRAIN ORDER

(For violations of sections 25210 and 25401 of the Corporations Code)

The California Commissioner of Business Oversight (“Commissioner”) finds:

1. At all relevant times, Tracy’s California Blast, LLC (“TCB”) is or was a California corporation formed in November 2010 with its principal place of business located at 20115 Orchard Meadow Drive, Saratoga, California, 95070.
2. At all relevant times, commencing in or after April 2011, James Brent Rogers (“Rogers”) was the sole owner and manager of TCB.
3. On or about April 19, 2011, the City of Tracy (“City”) entered into a three-year Exclusive Negotiating Rights Agreement (“ENRA”) with TCB for the possible development of a 628-acre motorsports park on real property owned by the City.
4. On or about September 19, 2011, the City notified TCB it was in default of the ENRA due to failure to complete development applications and provide financial information verifying TCB’s ability to fund the entitlement process and the first construction phase of the project.
5. In or about June 2012, the Chapter 7 Trustee in federal bankruptcy proceedings involving Sheryl Madison Lancaster (“Lancaster”) filed an adversary case against Rogers, his solely owned company, Lexington Consulting, Inc. (“Lexington”), and TCB, demanding the return of \$200,000.00 of improperly received funds belonging to the debtor’s estate.
6. On or about September 19, 2012, a day before the deadline for TCB to cure its default of the ENRA, Rogers asked the City to abandon the ENRA with TCB and, instead, enter into an ENRA

1 with a newly formed entity called the Spirit of California Entertainment Group Inc. (“SOC”).
2 Rogers proposed to expand the motorsports park project to develop a 2,000+ acre theme park called
3 “Spirit of California,” which would include an amusement park, sports complex, RV park, boat
4 marina, festival grounds, hotel, casino, convention center, movie studios, museum, vintner center,
5 golf course, stage and theater.

6 7. On or about September 27, 2012, Rogers formed SOC as a California corporation with its
7 principal place of business located at 180 La Montagne Court, Los Gatos, California, 95032.

8 8. At all relevant times, Rogers was the president and chief executive officer of SOC, and Phillip
9 Lee McKitterick (“McKitterick”) was the secretary and executive vice president.

10 9. Following a public meeting held on November 7, 2012, the Tracy City Council declined
11 Rogers’ request to terminate the existing ENRA with TCB and instructed staff to explore the
12 feasibility of negotiating a new ENRA with SOC.

13 10. Starting in or about November 2012, Rogers solicited investors for SOC by making general
14 sales pitches at shopping malls in the Tracy area, arranging personal presentations, establishing a
15 website, and compensating local promoters. “Qualified investors” were offered the opportunity to
16 become shareholders of SOC for as little as \$5,100.00.

17 11. During the period of December 2012 through May 2013, Rogers collected over \$116,000.00
18 from at least 12 California residents who purchased common stock in SOC.

19 12. Starting in or about March 2013, Rogers also solicited investors for Adomani, Inc.
20 (“Adomani”), a Florida-based electric-vehicle conversion company in which Rogers was a
21 shareholder. Rogers worked in concert with two Stockton-based businessmen who were
22 compensated by Adomani to procure investments from their local network of contacts. For each
23 Adomani stock purchase attributed to Rogers’ efforts, Adomani issued a matching number of shares
24 to SOC.

25 13. During the period of March 2013 through May 2013, Rogers, working in concert or
26 participation with his local associates, induced at least 20 additional California residents to purchase
27 over \$200,000.00 in stock from SOC and/or Adomani.

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1 14. The Commissioner finds that, commencing on or about March 2013, Rogers engaged in the
2 business of effecting transactions in securities in this state for the account of others or for his own
3 account when he purchased Adomani stock on behalf of SOC and induced, or attempted to induce,
4 California residents to purchase stock in Adomani. During this time, Rogers did not have a
5 certificate from the Commissioner authorizing him to act as a broker-dealer, in violation of section
6 25210, subdivision (a), of the Corporate Securities Law of 1968 (Corp. Code, § 25000 et seq.).

7 15. The Commissioner further finds that in connection with the offers and/or sales of SOC
8 securities issued in the form of stock, SOC, Rogers, and McKitterick made untrue statements of
9 material fact or omitted to state material facts necessary to make the statements made, in the light of
10 the circumstances under which they were made, not misleading. These misrepresentations and/or
11 omissions included, but are not limited to the following:

12 a. The SOC Private Placement Memorandum (“PPM”) dated November 28, 2012 failed
13 to disclose the history of the City’s dealings with TCB and that the City’s current ENRA with TCB
14 was in default due to Rogers’ failure to submit complete applications and financial statements.

15 b. The SOC PPM misrepresented that SOC had executed a three-year ENRA with the
16 City that “protects [SOC’s] rights to negotiate exclusively for the designated property site for the
17 Entertainment Park” and that “the PPM investment would provide the required funding to exercise
18 option deposits” for leasing or purchasing property under this ENRA.

19 c. Although the SOC PPM expressly stated that a petition under the federal bankruptcy
20 laws had not been filed by or against any SOC officers within the past 10 years, Rogers had filed for
21 bankruptcy, first in August 2008 and again in April 2012, as the responsible individual for Lexington.

22 d. The SOC PPM stated that SOC was not party to any pending litigation but failed to
23 disclose that Rogers, Lexington, and TCB were all named as parties in an adversary case filed in
24 federal bankruptcy court in June 2012.

25 e. The SOC PPM asserted that SOC had “no operating history” and “total liabilities of
26 \$0” but did not disclose that project losses of \$318,517.19 had been incurred by TCB through
27 October 30, 2012, according to financial statements that Rogers provided under oath to the
28 bankruptcy court in April 2014.

1 f. Roger did not tell investors that funds raised from development of the SOC project
2 may be used to pay off TCB's debts, including a \$200,000.00 loan owed to Lexington/Lancaster,
3 according to declarations he submitted to the bankruptcy court.

4 g. The SOC PPM falsely stated that no compensation had been paid to officers from
5 2009 through November 28, 2012.

6 h. The SOC PPM claimed that commissions would only be paid to broker-dealers
7 registered with the Securities and Exchange Commission ("SEC") and the Financial Industry
8 Regulatory Authority; however, commissions or "consultancy fees" were paid to non-registered
9 persons.

10 i. Contrary to the statement in the SOC PPM that proceeds of the offering would be used
11 "to pay for administrative expenses, the implementation of the entitlement process, and general
12 working capital," the bulk of SOC funds were used to pay "consulting fees" to McKitterick and cover
13 personal expenses incurred by Rogers, including legal fees in bankruptcy proceedings.

14 j. The SOC PPM stated its officers would not offer or sell securities for another
15 corporation and claimed there were no "conflicts of interest;" however, less than six months into the
16 private placement funding period, Rogers effected the purchase of securities on behalf of Adomani.

17 k. The SOC PPM did not disclose the following material facts concerning Rogers:

18 (i) In 1982, Rogers was convicted of possessing a drivers' license or identification
19 card with intent to commit forgery in violation of California Penal Code section 470, subdivision (b);

20 (ii) Since 2008, multiple judgment and tax liens collectively exceeding \$200,000 have
21 been filed against Rogers personally; and,

22 (iii) In 2010, a lawsuit was filed against Rogers alleging fraudulent and negligent
23 misrepresentation, fraudulent conveyance, and other causes of action related to investment property
24 in Los Gatos, California.

25 l. The SOC PPM did not disclose that Dennis Ronald DiRicco ("DiRicco"), a principal
26 officer of Adomani, was also a director and officer of SOC, according to securities notices SOC filed
27 with both the Commissioner and the SEC in December 2012.

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1 m. Investors were not told the following material facts concerning DiRicco:

2 (i) DiRicco resigned from the California State Bar in 1989 with charges pending;

3 (ii) DiRicco, who prepared SOC's 2012 corporate income tax returns, was convicted
4 in 1989 for conspiring to defraud the United States, aiding and abetting in the preparation of false tax
5 returns, and obstruction of justice; and, in 2000, for interference with administration of internal
6 revenue laws;

7 (iii) In December 2008, the Commissioner issued a Desist and Refrain Order to
8 DiRicco for selling unqualified, nonexempt securities, acting as an unlicensed broker-dealer and
9 investment adviser, and making material misrepresentations to investors in violation of state
10 securities laws;

11 (iv) In 2003 and 2013, DiRicco filed for Chapter 7 bankruptcy; and,

12 (v) In 2013, an adversary bankruptcy case was filed against DiRicco alleging
13 fraudulent conversion and damages.

14 Based on the foregoing findings, the California Commissioner of Business Oversight is of the
15 opinion that the securities of Spirit of California Entertainment Group Inc. were offered or sold in this
16 state by means of written or oral communications which included an untrue statement of a material
17 fact or omitted to state a material fact necessary in order to make the statements made, in the light of
18 the circumstances under which they were made, not misleading, in violation of section 25401,
19 subdivision (b).

20 Pursuant to section 25532, subdivision (c), of the Corporate Securities Law of 1968, Spirit of
21 California Entertainment Group Inc., James Brent Rogers, and Phillip Lee McKitterick are hereby
22 ordered to desist and refrain from offering or selling or buying or offering to buy any security in the
23 State of California, including but not limited to stock in the Spirit of California Entertainment Group
24 Inc., by means of any written or oral communication which includes an untrue statement of a material
25 fact or omits to state a material fact necessary in order to make the statements made, in the light of
26 the circumstances under which they were made, not misleading.

27 Further, based on the foregoing, the California Commissioner of Business Oversight is of the
28 opinion that James Brent Rogers is subject to the laws regulating broker-dealers and investment

1 advisers under the Corporate Securities Law of 1968 and, working alone or in concert or participation
2 with others, has effected transactions in securities as a broker-dealer, or induced or attempted to
3 induce the purchase or sale of any security, in this state, without having first applied for and secured
4 from the Commissioner a certificate, then in effect, authorizing him to act in such capacity, in
5 violation of section 25210, subdivision (a), of the Corporate Securities Law of 1968.

6 Further, pursuant to section 25532, subdivision (b), of the Corporate Securities Law of
7 1968, James Brent Roger is hereby ordered to desist and refrain from effecting any transaction in
8 securities as a broker-dealer, or inducing or attempting to induce the purchase or sale of any
9 security, in this state, in violation of section 25210, subdivision (a), unless and until certification
10 has been made under said laws or unless exempt.

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

13 Dated: January 26, 2015
14 Sacramento, California



JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division