

1 6. Beginning on or about December 3, 2012, Standpoint Capital and Monis offered and
2 sold unqualified, non-exempt securities in the form of investment contracts to at least one California
3 resident raising at least \$25,000.00.

4 7. On December 3, 2012, Standpoint Capital and Monis executed at least one agreement
5 entitled “standpointagreement.” Under that agreement, at least one California resident agreed to
6 invest \$25,000.00 with Monis in return for “... 25% ownership of [Monis’] DBA (Doing Business
7 As) Standpoint Capital...” Standpoint Capital and Monis promised to use the money to purchase
8 stocks of various companies. The agreement also provided that in addition to owning 25% interest in
9 Standpoint Capital, the California resident would receive 25% of all profits earned by Standpoint
10 Capital.

11 8. Pursuant to the agreement, Standpoint Capital and Monis agreed to “fully disclose
12 where the California resident’s money would be invested.” The California resident did not know
13 how the funds would be invested or receive any documents that showed Standpoint Capital and
14 Monis actually purchased any stock.

15 9. In or about May 2013, Monis informed the California resident that the investment was
16 lost without providing any further explanation.

17 10. These securities were offered or sold in this state in issuer transactions. The
18 Department of Business Oversight has not issued a permit or other form of qualification authorizing
19 any person to offer or sell the securities referred to herein in this state, nor is Standpoint Capital
20 exempt from the qualification requirement.

21 11. On May 30, 2013, Monis incorporated Standpoint Capital as a California limited
22 liability company in the hope of partnering with Tangle Trade Management, LLC (“Tangle Trade”)
23 and soliciting investments from the general public. Tangle Trade is a limited liability company
24 incorporated in Texas and headquartered in Kirkland, Washington. Tangle Trade is a registered
25 investment adviser firm licensed by the state of California, Texas, and Washington that purportedly,
26 offers “investment supervisory services to a pooled investment vehicle.”

27 12. Beginning in or about March 2013, Standpoint Capital and Monis provided investment
28 advice to investors and thereafter, recommended the services of Tangle Trade to at least three
investors who invested approximately \$115,000.00 in funds managed by Tangle Trade. Standpoint

1 Capital and Monis received \$4,525.00 from Tangle Trade in return for referring investors to Tangle
2 Trade.

3 13. Standpoint Capital and Monis advised prospective investors to purchase securities in
4 the form of pre-IPO shares of Twitter, Inc., which he stated were being offered through Tangle Trade.
5 Standpoint Capital and Monis provided prospective investors presentation materials that claimed
6 Standpoint Capital had partnered with Tangle Trade and Webush Securities, Inc., a registered
7 investment adviser firm, to offer the pre-IPO Twitter Fund. Standpoint Capital and Monis gave an
8 assessment on the risks and rewards of the proposed investments and offered to explain the
9 opportunities presented in proposed investments to investors in thorough detail.

10 14. In its presentation, Standpoint Capital stated it was “providing the opportunity for [the
11 investor] to be able to take part in a deal flow that will result in the biggest IPO of 2013-2014, before
12 retail investors have access.” Standpoint Capital and Monis represented that the minimum
13 investment required to invest in Twitter Fund was \$500.00 but indicated that Standpoint Capital was
14 willing to accept less under certain conditions. The presentation also informed investors that only
15 accredited investors could invest in the fund however; Standpoint Capital had an undisclosed
16 “process” where it could include individuals that did not meet the requirement. Standpoint Capital’s
17 fees were stated as 15% of all profits generated from the investment and 1% of the entire fund for
18 managing the fund.

19 15. At all relevant times, Standpoint Capital and Monis did not have a valid broker-dealer
20 certificate or a valid investment adviser certificate issued by the Department of Business Oversight or
21 the U.S. Securities and Exchange Commission.

22 16. In connection with the offer and sales of securities, Monis held himself out to
23 investors as an investment expert, representing he was qualified to give investment advice because of
24 his association with Tangle Trade and other registered investment advisers.

25 17. In connection with the offer and sale of securities, Standpoint Capital and Monis
26 made, or caused to be made, misrepresentations of material fact or omitted to state material facts
27 necessary in order to make the statements made, in the light of the circumstances under which they
28 were made, not misleading. These misrepresentations and omissions included, but are not limited to
the following:

- 1 (a) Monis represented, or held himself out to investors as a licensed or qualified
2 investment adviser or broker-dealer;
- 3 (b) Monis represented that Standpoint Capital partnered with Tangle Trade and Webush
4 Securities, Inc., to offer the pre-IPO twitter shares when in fact, no such partnership
5 existed;
- 6 (c) Monis failed to disclose that neither he nor Standpoint Capital was licensed in
7 California to act as a broker-dealer or investment adviser.

8 Based upon the foregoing, the California Commissioner of Business Oversight is of the
9 opinion that Standpoint Capital and Monis engaged in the offer and sale of securities in the form of
10 investment contracts in Standpoint Capital. These securities have not been qualified under the
11 California Corporate Securities Law of 1968, in violation of section 25110 of the Corporations Code.

12 The Commissioner is also of the opinion that Standpoint Capital and Monis have effected
13 transactions in securities as broker-dealers in this state without having first applied for and secured
14 from the Commissioner a certificate, then in effect, authorizing Standpoint Capital and Monis to act
15 in that capacity, and not exempt from the certification requirements in violation of Corporations Code
16 section 25210.

17 Further, the Commissioner is of the opinion that Standpoint Capital and Monis have
18 conducted business as an investment adviser in this state without first applying for and securing from
19 the commissioner a certificate, then in effect, authorizing them to do so, in violation of section 25230
20 of the CSL.

21 Finally, the Commissioner is of the opinion that the securities in the form of investment
22 contracts, and stocks, offered by Monis and Standpoint Capital were offered and sold in this state by
23 means of written or oral communications, which included untrue statements of material fact or
24 omitted to state material facts necessary in order to make the statements made, in the light of the
25 circumstances under which they were made, not misleading, in violation of section 25401 of the CSL.

26 Pursuant to section 25532 of the California Corporate Securities Law of 1968, Ronald James
27 Siruno Monis and Standpoint Capital, LLC are hereby ordered to:

- 28 1. Desist and refrain from the further offer or sale of securities in the State of California,
unless and until qualification has been made under the law or unless exempt;

- 1 2. Desist and refrain from effecting any transaction in, or inducing or attempting to induce,
2 the purchase or sale of any security in the State of California, unless and until they have
3 applied for and secured from the Commissioner a broker-dealer certificate, then in effect,
4 authorizing them to act in that capacity or unless exempt;
- 5 3. Desist and refrain from acting as an investment adviser in the State of California unless
6 and until they have first applied for and secured from the Commissioner a certificate, then
7 in effect, authorizing them to act as an investment adviser.
- 8 4. Desist and refrain from offering or selling or buying or offering to buy any security in the
9 State of California, including but not limited to, investment contracts and stocks, by
10 means of any written or oral communication which includes an untrue statement of a
11 material fact or omits to state a material fact necessary in order to make the statements
12 made, in the light of the circumstances under which they were made, not misleading.

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

15 Dated: June 17, 2015
16 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

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18 By: _____
19 MARY ANN SMITH
20 Deputy Commissioner
21 Enforcement Division
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