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STATE OF CALIFORNIA
BUSINESS TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Michael E. Parker
Lacy Hawkins
Stellar Enterprise Associates, Inc.
Daystar Investments, Inc.
3260 Blume Drive, Suite 140
Richmond, CA 94806

DESIST AND REFRAIN ORDER
(For Violations of Sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Stellar Enterprise Associates, Inc. (hereinafter "Stellar") is a California corporation formed on November 26, 2001. Michael E. Parker (hereinafter "Parker") is the chief executive officer and a director of Stellar. Parker is also a minister of the General Assembly Church, with locations in Vallejo, Union City and Moreno Valley, California, as well as churches in Tyler, Texas and Baton Rouge, Louisiana. Daystar Investments, Inc. (hereinafter "Daystar") is an active California corporation formed on October 3, 2002 and is located in Richmond, California at 3260 Blume Drive, Suite 140, Richmond, CA 94806. Stellar and Daystar share the same address. Lacy Hawkins is the pastor and founder of the General Assembly Church.

2. The records of the Department of Corporations show that an exemption Notice Filing for Daystar under section 25102(f) of the Corporations Code dated March 7, 2003 was filed with the Department. A similar exemption notice for Stellar was filed with the Department on September 23, 2002 and was filed by Parker as the Chief Executive Officer of Stellar. A Notice of Sale of Securities Pursuant to Regulation D under Corporations Code section 25102.1(d) was filed by Parker as president of Stellar on July 11, 2006.

3. In 2002, Parker and Hawkins began offering promissory notes and loan agreements as investments in Daystar to members of the congregation of the General Assembly Church. Hawkins

1 repeatedly urged the congregation to attend presentations in a meeting room on church property after
2 church services. These presentations were primarily conducted by Parker. Parker, with the
3 substantial assistance of Hawkins, solicited members of the General Assembly Church who were
4 California residents to invest in Daystar securities. Such invitations to invest were presented to
5 members of the combined congregations which included other churches by conference call. No
6 attempt was made to pre-qualify the church members for the purchase of securities and the
7 solicitations were communicated simultaneously to hundreds of church members. These general
8 solicitations to the congregation to invest were repeated numerous times. After revenue from the
9 promissory notes and loan agreements with Daystar began to diminish, Parker and Hawkins
10 undertook to convince the investors in the church to either forgive the debts they were owed by
11 Daystar, or convert their Daystar debt to Stellar shares.

12 4. Parker and Hawkins offer and sale of securities by way of general solicitation of the entire
13 church congregation precludes them from availing themselves of the exemptions provided in
14 Corporations Code section 25102.1 or Corporations Code section 25102(f). As such the securities
15 offered and sold by Parker and Hawkins were both unqualified and non-exempt.

16 5. Parker, in the process of offering securities with the substantial assistance of Hawkins,
17 made the following misstatements and omissions to investors:

- 18 a) Investors would receive a 10 to 20% return on their funds every six months to one year.
- 19 b) The investment contained no risk since the money invested would be secured by real
20 property.
- 21 c) Investors would be free to withdraw all of their funds at six month or one year intervals,
22 and would receive a payment of interest as well as a return of their principle.
- 23 d) Investors who invested more than \$250,000 would receive a 35% return on their money.
- 24 e) If members of the church did not invest with Daystar and Stellar they would no longer be a
25 member of the church and would not have eternal life.
- 26 f) Failed to emphasize to investors that the Loan Agreement and Promissory Note contained
27 language that allowed Daystar and Stellar to extend repayment dates to infinity by asking for
28 unlimited extensions of repayment dates.

1 g) Failed to provide accurate accounting to investors in Daystar and Stellar and failed to
2 disclose significant losses while claiming that the businesses were continuing to be profitable.

3 h) Continued to sell investments in Daystar from 2002 to 2006 and failed to disclose to
4 investors that Daystar operated at a loss every year.

5 In fact, the nature of the enterprise was such that many investors never received a return of
6 their principle or any interest. When investors requested a return of their funds after six months to a
7 year they were denied. Investors who were promised 35% return on an investment over \$250,000
8 received no return. Investors were not informed that a large part of their funds would be paid to
9 subsidiaries of Daystar and in turn this money would be used to pay inflated management fees to
10 Stellar, both of which were controlled by Parker with the substantial assistance from Hawkins.

11 6. The interests offered or sold to California investors by Parker and Hawkins were securities
12 in the form of promissory notes and loan agreements and were offered or sold in this state in an issuer
13 transaction. The California Corporations Commissioner is of the opinion that the securities in
14 Daystar and Stellar are subject to qualification under the California Corporate Securities Law of 1968
15 and are being or have been offered or sold without being qualified in violation of Corporations Code
16 section 25110.

17 7. The California Corporations Commissioner is of the opinion that the securities in Daystar
18 and Stellar were offered or sold in this state by means of oral or written communications which
19 included an untrue statement of a material fact or omitted to state a material fact necessary in order to
20 make the statements made, in the light of the circumstances under which they were made, not
21 misleading, in violation of section 25401 of the Corporate Securities Law of 1968.

22 Pursuant to section 25532 of the Corporate Securities Law of 1968, Michael E. Parker, Lacy
23 Hawkins, Stellar Enterprise Associates, Inc. and Daystar Investments, Inc. are hereby ordered to
24 desist and refrain from the further offer or sale in the State of California of securities, including but
25 not limited to promissory notes and loan agreements, unless and until said securities have been
26 qualified under the law, or are exempt.

27 Pursuant to section 25532 of the Corporate Securities Law of 1968, Michael E. Parker, Lacy
28 Hawkins, Stellar Enterprise Associates, Inc. and Daystar Investments, Inc. are hereby ordered to

1 desist and refrain from offering or selling any security in the State of California, including but not
2 limited to investments in promissory notes and loan agreements, by means of any written or oral
3 communication which includes an untrue statement of a material fact or omits to state a material fact
4 necessary in order to make the statements made, in the light of the circumstances under which they
5 were made, not misleading.

6 This Order is necessary, in the public interest, for the protection of investors and consistent
7 with the purposes, policies and provisions of the Corporate Securities Law of 1968. This Order shall
8 remain in full force and effect until further order of the California Corporations Commissioner.

9 Dated: July 11, 2012
10 Los Angeles, California

JAN LYNN OWEN
California Corporations Commissioner

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13 By _____
14 ALAN S. WEINGER
15 Deputy Commissioner
16 Enforcement Division
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