

1 STATE OF CALIFORNIA
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY
3 DEPARTMENT OF CORPORATIONS

4 TO: Susan Su
5 Tai Chung Shih
6 140 W Valley Blvd., Ste. 116
7 San Gabriel, CA 91776

8 DESIST AND REFRAIN ORDER

9 (For violations of section 25401 of the Corporations Code)

10 The California Corporations Commissioner finds that:

11 1. At all relevant times herein, Susan Su (“Su”) an individual and Tai Chung Shih
12 (“Shih”) an individual offered and sold securities to investors in an affinity fraud targeting the
13 Chinese community in Los Angeles County.

14 2. Beginning in around March 2005 and continuing through at least March 2006, Su and
15 Shih offered and sold securities in the form of investment contracts, which were comprised of pooled
16 investor money that Su and Shih represented would be used in Shih’s computer parts business. Su
17 obtained investment money by soliciting friends and their family members, by offering a 6% per
18 month return on investments. Su and Shih offered and sold securities to at least ten investors in
19 excess of \$1,000,000.

20 3. In connection with the offer and sale of these securities, Su and Shih made, or caused
21 to be made, misrepresentations of material fact or omitted to state material facts necessary in order to
22 make the statements made, in the light of the circumstances under which they were made, not
23 misleading. These misrepresentations and omissions included, but are not limited to the following:

24 a. Su and Shih misrepresented to investors that the investment would earn 6% per
25 month;

26 b. Investors were not told that they were investing in a ponzi scheme and that any
27 returns received on their investment money came from other investor money and not from any
28 investment returns;

1 c. Investors were not told that their money was to be used for Su's and Shih's
2 own personal use constituting misuse of investor funds;

3 d. Investors were not told that Shih had been previously convicted of a felony;
4 and

5 e. Investors were not told that Shih had a gambling problem and used investor
6 money to gamble.

7 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
8 that the securities offered and sold by Su and Shih were offered and sold in this state by means of
9 written or oral communications that included untrue statements of material fact or omitted to state
10 material facts necessary in order to make the statements made, in the light of the circumstances under
11 which they were made, not misleading, in violation of section 25401 of the Corporate Securities Law
12 of 1968.

13 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Susan Su and Tai Chung
14 Shih are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any
15 security in the State of California, including, but not limited to, investment contracts by means of any
16 written or oral communication which includes an untrue statement of a material fact or omits to state
17 a material fact necessary in order to make the statements made, in the light of the circumstances
18 under which they were made, not misleading.

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

21 Dated: September 16, 2010
22 Los Angeles, California

23 PRESTON DuFAUCHARD
24 California Corporations Commissioner

25 By _____
26 ALAN S. WEINGER
27 Deputy Commissioner
28 Enforcement Division