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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: MJ Capital Funding, LLC
17170 Mt Elizabeth Drive
Sonora, CA 95307

Verna Simms Pilon a.k.a. Verna Simms
17170 Mt Elizabeth Drive
Sonora, CA 95307

James Lee Pilon a.k.a. James Nadeau
25706 South Hoover Street
Monee, IL 60499-8015

DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. MJ Capital Funding, LLC is a business entity of unknown form with a business address of 17170 Mt Elizabeth Drive, Sonora, CA 95307. It purports to be in the business of project funding, and investments and acts as a “facilitator” of a “Secured Asset Management Program” which was to invest in foreign markets on behalf of a joint venture. It is not registered to do business in California.

2. Verna Simms Pilon also know as Verna Simms, is doing business as MJ Capital Funding, LLC at the address of 17170 Mt Elizabeth Drive, Sonora, CA 95307. She has also previously conducted business under the name of World Wide Market Planners, LLC, a Wyoming Corporation, that according to records of the Wyoming Secretary of State has a mailing address of 25706 South Hoover Street, Monee, IL 60499-8015 and a registered office address of 772 Earl Court, Cheyenne, Wyoming. World Wide Market Planners, LLC became “defunct” as a corporation on May 31, 2006 as a result of tax delinquency according to records of the Wyoming Secretary of State.

1 3. James Lee Pilon also known as James Nadeau is doing business as MJ Capital Funding,
2 LLC and is a principal of World Wide Market Planners, LLC. His address is 25706 South Hoover
3 Street, Monee, IL 60499-8015.

4 4. Beginning in or about October, 2005, MJ Capital Funding, LLC, Verna Simms Pilon and
5 James Lee Pilon offered and sold investment contracts to a California resident in the form of a Private
6 Placement Joint Venture Pay Order Agreement (“Agreement”). The Agreement was a contract
7 between the investor, who is referred to as Party “A” in the Agreement and “MJ Capital Funding
8 LLC/Verna Simms Pilon and James Lee Pilon” who are referred to collectively in the Agreement as
9 party “B” as well as the “program facilitator” for the “private placement program.” The Agreement
10 states in part that “both parties “A” and “B” agreed to build up co-operation to achieve mutual
11 benefit” and that “Party “B” is responsible to arrange and organize with the Trading bank to raise
12 Additional, clear, clean legally earned, non-criminal, leveraged line of credit in Participation in
13 Private Enhancement Financial Fund Trading Program Placement.” The Agreement provided that in
14 exchange for the investor paying the amount of \$250,000.00 by wire transfer to an “Atty’s Escrow
15 Account” at Bank of America held in the name of Oceanside Enterprises, Inc. that the investor would
16 receive a return of “One Million USD” at the end of 12 months.

17 5. As part of the investment contract offered and sold to a California resident by MJ Capital
18 Funding, LLC, Verna Simms Pilon and James Lee Pilon also entered into a contract with the investor
19 entitled “Fee Protection Agreement” which specified that the “net return to the client will be 375%
20 per month for 12 months. The program generates 400% per month with a total of 25% withheld each
21 pay cycle to cover Program Management Fees, Commissions, and expenses associated with initiating
22 and processing the investment transaction.” Under the heading “Safety of Funds” it states “the
23 client’s funds are held in an Attorney’s trust account until the leveraged funds from the Funds
24 Provider are received and authenticated by the Trading Platform management.”
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1 Under the heading "Exempt From Government Regulations" it states "this is in no way regulated by
2 the United States Securities Act of 1933, or related regulations, and does not involve the sale of
3 registered securities, and is thereby exempt from the Securities Act."

4 6. The investment contract in the form of the Private Placement Joint Venture Pay Order
5 Agreement and the Fee Protection Agreement offered and sold by MJ Capital Funding, LLC, Verna
6 Simms Pilon and James Lee Pilon constitute securities. The Department of Corporations has not
7 issued a permit or other form of qualification authorizing any person to offer and sell these securities
8 in this state.

9 7. MJ Capital Funding, LLC, Verna Simms Pilon and James Lee Pilon offered and sold
10 securities by means of written and oral communications which included untrue statements of material
11 fact and which omitted to state material facts necessary in order to make the statements made, in the
12 light of the circumstances under which they were made, not misleading. The material misstatements
13 and omissions made include failing to disclose to the investor that the Secretary of State for the State
14 of Illinois had issued a Temporary Order of Prohibition against World Wide Market Planners, LLC
15 and James Pilon and Verna Pilon in March of 2005 as a result of their violation of Illinois securities
16 laws for selling unregistered securities in the form of "Project Funding/ Private Placements" to
17 investors and for selling those securities by means of untrue statements or omissions of material fact.
18 MJ Capital Funding, LLC, Verna Simms Pilon and James Lee Pilon also failed to provide the one
19 million dollars to the California investor at the end of 12 months as promised under the terms of the
20 Agreement and has failed to return any of the investors money.

21 Based upon the foregoing findings, the California Corporations Commissioner is of the
22 opinion that MJ Capital Funding, LLC, Verna Simms Pilon and James Lee Pilon engaged in the offer
23 and sale of securities, including but not limited to investment contracts in the form of Private
24 Placement Joint Venture Pay Order Agreements and Fee Protection Agreements. Those securities
25 have not been qualified under the California Corporate Securities Law of 1968, in violation of section
26 25110 of the Corporations Code. Pursuant to section 25532 of the Corporate Securities Law of 1968,
27 MJ Capital Funding, LLC, Verna Simms Pilon and James Lee Pilon are hereby ordered to desist and
28 refrain from the further offer or sale in the State of California of securities, including but not limited

1 to investment contracts in the form of Private Placement Joint Venture Pay Order Agreements and
2 Fee Protection Agreements, unless and until qualification has been made under the law or unless
3 exempt.

4 The California Corporations Commissioner is further of the opinion that MJ Capital Funding,
5 LLC, Verna Simms Pilon and James Lee Pilon offered and sold securities, including but not limited
6 to investment contracts in the form of the Private Placement Joint Venture Pay Order Agreement and
7 the Fee Protection Agreement, by means of written and oral communications including untrue
8 statements of material fact and omissions of material fact necessary to make the statements not
9 misleading, in violation of section 25401 of the Corporations Code. Pursuant to section 25532 of the
10 Corporate Securities Law of 1968, MJ Capital Funding, LLC, Verna Simms Pilon and James Lee
11 Pilon are hereby ordered to desist and refrain from offering, or selling any security in the State of
12 California, including but not limited to investment contracts in the form of Private Placement Joint
13 Venture Pay Order Agreements and Fee Protection Agreements, by means of any written or oral
14 communication which includes an untrue statement of a material fact or omits to state a material fact
15 necessary in order to make the statements made, in the light of the circumstances under which they
16 were made, not misleading.

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: December 28, 2006
20 Los Angeles, California

21 PRESTON DuFAUCHARD
22 California Corporations Commissioner

23 By _____
24 ALAN S. WEINGER
25 Lead Corporations Counsel
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