

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

4 TO: Venture Leverage Group LLC
3520 Brookside Road, Suite 141
5 Stockton, California 95219

6 Brett Antonio Thompson
3520 Brookside Road, Suite 141
7 Stockton, California 95219

8 Rachel Victoria
720 South Street, #142
9 Honolulu, Hawaii 96813

10 BaceK Gold
18101 Von Karman Avenue
11 Irvine, California 92612

12 Darrell Hornbacher
6042 Blue Ridge Drive, Suite D
13 Highlands Ranch, Colorado 80130

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15 **DESIST AND REFRAIN ORDER**

16 **(For violations of sections 25210, 25230 and 25401 of the Corporations Code)**

17 The California Commissioner of Business Oversight finds that:

- 18 1. At all relevant times herein, Venture Leverage Group LLC (“VLG”) is a California
- 19 limited liability company operating from Stockton, California.
- 20 2. At all relevant times herein, Brett Antonio Thompson (“Thompson”), an individual,
- 21 is the owner and operator of VLG.
- 22 3. At all relevant times herein, Rachel Victoria (“Victoria”), an individual, claims to be
- 23 a “former licensed financial planner” that “love[s] sharing with others how to create corporate cash
- 24 for passive income quickly and efficiently.” Victoria operates websites at
- 25 www.passiveincomeopportunities.net and www.credit2cashflow.net that offer to help prospective
- 26 investors “start creating [p]assive [i]ncome today!”
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1 4. At all relevant times herein, BaceK Gold (“BaceK”), a business entity of unknown
2 form, operated as an investment broker that assisted prospective investors in liquidating credit
3 accounts to fund investments. BaceK operates a website at www.bacekgold.com.

4 5. At all relevant times herein, Darrell Hornbacher (“Hornbacher”), an individual,
5 operated as an investment broker that assisted prospective investors in liquidating credit accounts to
6 fund investments. Hornbacher operates a website at www.midas-financial.com.

7 6. VLG claimed to be in the business of buying distressed local businesses, including
8 hotels, pizza restaurants, and donut shops, in the Stockton, California area. VLG claimed expertise
9 in taking over and reforming the operations of the local businesses and making them profitable.

10 7. Beginning at least by August 2012, VLG sought “silent” or passive investors to help
11 fund the purchase of each local business it acquired. VLG raised money from investors through the
12 sale of investments contracts. VLG claimed that investment contract purchasers would receive a
13 refund of the entirety of their investment principal within a few months and that each investor
14 would then earn an on-going percentage of the profits of each business.

15 8. VLG received leads on prospective investors from Victoria.

16 9. Through a series of websites and financial presentations, Victoria had formed an
17 established group of prospective investor clients who sought her advice on passive income
18 opportunities. Victoria told her clients that she would “[p]rovide you with Tested, Verified,
19 Diversified Passive Income Opportunities that have achieved between 70% - 100% Annual Returns
20 for your Passive Income Business. Some opportunities even have a profitability guarantee! This
21 Passive Income is always held in your own name in U.S. licensed brokerage accounts that you have
22 100% control over. (No Madoff’s or Ponzi’s here!)”

23 10. Victoria steered many of her clients to the VLG investments contracts, claiming that
24 she had personally vetted the VLG investment and that she had profitably invested in VLG herself.
25 Victoria told investors that the VLG investment contracts were low risk and “low bother.” Trusting
26 Victoria’s claimed experience, investors purchased VLG investment contracts without the due
27 diligence they would have conducted in the absence of Victoria’s endorsement.

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1 11. VLG, Thompson and Victoria targeted investors who did not already have cash on
2 hand to purchase VLG’s investment contracts. Instead, VLG and Thompson relied on BaceK and
3 Hornbacher as brokers who facilitated investments by making fictitious charges on investors’ credit
4 accounts. After charging investors’ credit accounts, BaceK and Hornbacher transferred the money
5 to VLG and Thompson minus undisclosed brokerage fees.

6 12. From approximately August 2012 to May 2013, VLG obtained investments from
7 over ten different investors, at least three of whom were California residents. Most investors
8 contributed over \$25,000.00 each.

9 13. Around July 2013, following a series of excuses from VLG and Thompson for why
10 many local businesses had not been acquired as planned, VLG and Thompson ceased business and
11 stopped returning calls from investors seeking updates on their VLG investments.

12 14. Ultimately, most investors received little to no return on their VLG investment
13 contracts and lost the majority of their investment principal.

14 15. VLG’s investment contracts constitute securities under Corporations Code section
15 25019.

16 16. Victoria is not licensed by the State of California, or any other similar licensing
17 entity, to act as a broker-dealer or as an investment adviser in this state.

18 17. BaceK is not licensed by the State of California, or any other similar licensing entity,
19 to act as a broker-dealer in this state.

20 18. Hornbacher is not licensed by the State of California, or any other similar licensing
21 entity, to act as a broker-dealer in this state.

22 19. In connection with the offer and sale of these securities, Venture Leverage Group
23 LLC and Brett Antonio Thompson made, or caused to be made, misrepresentations of material fact
24 or 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 sections 25401 of the
26 Corporations Code. These misrepresentations and omissions included, but are not limited to the
27 following:
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- 1 a. That VLG and Thompson had the requisite state and federal licenses to
- 2 conduct their business and to sell securities to the public;
- 3 b. Misrepresenting that an investor’s funds would be used to purchase a specific
- 4 business or property, when, in fact, investor funds were pooled and were used for the general
- 5 expenses of VLG and Thompson and to pay undisclosed commissions to Victoria, BaceK and
- 6 Hornbacher;
- 7 c. Failing to disclose the risks of VLG’s investment opportunities; and
- 8 d. Failing to disclose that Victoria’s recommendation of VLG investment
- 9 contracts were paid for by VLG and Thompson.

10 Based on the foregoing findings, the California Commissioner of Business Oversight is of
11 the opinion that the securities offered and sold by Venture Leverage Group LLC and Brett Antonio
12 Thompson were offered and sold in this state by means of written or oral communications that
13 included untrue statements of material fact or omitted to state material facts necessary in order to
14 make the statements made, in light of the circumstances under which they were made, not
15 misleading, in violation of section 25401 of the Corporations Code.

16 Pursuant to section 25532 of the Corporations Code, Venture Leverage Group LLC and
17 Brett Antonio Thompson are hereby ordered to desist and refrain from offering or selling any
18 security in the State of California, including, but not limited to, VLG investment contracts by means
19 of written or oral communication which includes an untrue statement of a material fact or omits to
20 state a material fact necessary in order to make the statements made, in light of the circumstances
21 under which they were made, not misleading.

22 Based on the foregoing findings, the California Commissioner of Business Oversight is of
23 the opinion that Rachel Victoria conducted business as an investment adviser in this state without
24 authorization of the commissioner, in violation of section 25230 of the Corporations Code.

25 Pursuant to section 25532 of the Corporations Code, Rachel Victoria is hereby ordered to
26 desist and refrain from conducting business as an investment adviser in this state without first
27 obtaining the commissioner’s authorization.

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Based on the foregoing findings, the California Commissioner of Business Oversight is of the opinion that BaceK Gold and Darrell Hornbacher engaged in the business of effecting transactions in securities in this state for the account of others and effected a transaction in, or induced or attempted to induce the purchase or sale of, a security in this state without authorization of the commissioner, in violation of section 25210 of the Corporations Code.

Pursuant to section 25532 of the Corporations Code, BaceK Gold and Darrell Hornbacher are hereby ordered to desist and refrain from acting as a broker-dealer or engaging in broker-dealer activities in this state without first obtaining the commissioner’s authorization.

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

Dated: November 5, 2015
Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division