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 9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 10 FOR THE COUNTY OF SACRAMENTO

11 THE PEOPLE OF THE STATE OF
 CALIFORNIA, by and through the
 12 CALIFORNIA CORPORATIONS
 COMMISSIONER,

13 Plaintiff,

14 vs.

15 ROBERT WAYNE HANSON, JR. an
 individual;
 16 VISIONARY GROUP HOLDINGS, INC., a
 California corporation; and
 17 DOES 1 through 10, inclusive,

18 Defendants.

Case No.:

COMPLAINT FOR PRELIMINARY AND
 PERMANENT INJUNCTION; CIVIL
 PENALTIES; AND ANCILLARY RELIEF

VIOLATION OF DESIST AND REFRAIN
 ORDER ISSUED BY THE COMMISSIONER

VIOLATIONS OF CORPORATIONS CODE
 SECTION 25110 (UNQUALIFIED, NON-
 EXEMPT OFFER AND SALE OF
 SECURITIES)

VIOLATIONS OF CORPORATIONS CODE
 SECTION 25401 (MISREPRESENTATIONS
 AND OMISSIONS IN THE OFFER AND
 SALE OF SECURITIES)

Judge:
 Dept:

Hearing Date:
 Hearing Time:
 Date Action Filed:

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1 Preston DuFauchard, California Corporations Commissioner, acting to protect the public
2 from the unlawful and fraudulent offer or sale of securities, brings this action in the public interest
3 in the name of the People of the State of California. The People of the State of California allege:

4 **VENUE AND JURISDICTION**

5 1. The California Corporations Commissioner (“Commissioner”), in his capacity as
6 head of the California Department of Corporations (“Department”), brings this action to enjoin the
7 defendants from violating the Corporate Securities Law of 1968 (“CSL”) (Cal. Corp. Code, §
8 25000 et seq.) and to request necessary civil penalties and ancillary relief including restitution to
9 investors. The Commissioner is authorized to administer and enforce the provisions of the CSL.

10 2. The Commissioner brings this action pursuant to CSL sections 25530 and 25535
11 and Government Code section 11180 et seq. in his capacity as head of the Department.

12 3. The defendants have transacted and continue to transact business within
13 Sacramento County and throughout the State of California. The violations of law described herein
14 have occurred and will continue to occur within Sacramento County and throughout the State of
15 California unless enjoined.

16 **DEFENDANTS**

17 4. Defendant Visionary Group Holdings, Inc. (“Visionary Group”) is a California
18 corporation, incorporated on February 2, 2007, maintaining a last known business address at 300
19 Harding Blvd., Suite 203, Roseville, California 95678.

20 5. Defendant Robert Wayne Hanson, Jr. (“HANSON”) is an individual whose last
21 known residence is at 212 Soaring Hawk Place, Lincoln, California 95648, and whose last known
22 business address is at 300 Harding Blvd., Suite 203, Roseville, California 95678. HANSON is the
23 principal and control person of Visionary Group.

24 6. Defendants sued herein under the fictitious names Does 1 through 10, inclusive, are
25 unknown to plaintiff who therefore sues such defendants by such fictitious names, pursuant to the
26 provisions of California Code of Civil Procedure section 474. The Commissioner asks leave of
27 the court to amend the Complaint and allege the true names and capacities of such defendants at
28 such time as the same have been ascertained.

STATEMENT OF FACTS

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2 7. Beginning in at least February 2007 and continuing thereafter, HANSON,
3 Visionary Group and their agents, employees and representatives (collectively “DEFENDANTS”)
4 offered and sold securities to at least fourteen (14) investors, raising a total of \$ 410,750.00. Of
5 those investors, eight (8) were California residents. From the offer and sale of securities to
6 California residents DEFENDANTS raised a total of \$389,250.00.

7 8. DEFENDANTS offered and sold securities in the form of promissory notes, profit
8 sharing agreements, subscription agreements for shares of stock, and investment contracts.

9 9. The securities offered and sold by DEFENDANTS were not qualified, or
10 registered, pursuant to the CSL.

11 10. The securities offered and sold by DEFENDANTS were not exempt from the
12 qualification, or registration, requirements of the CSL.

13 11. DEFENDANTS offered and sold securities to investors for the purported purpose
14 of developing and expanding a startup business providing, among other things, credit restoration
15 services to the general public.

16 12. DEFENDANTS offered and sold securities to investors with whom
17 DEFENDANTS had no preexisting business or personal relationship within the meaning of CSL.

18 13. DEFENDANTS offered and sold securities to investors who did not possess the
19 requisite sophistication to protect their own interests in the transactions.

20 14. In relation to the offer and sale of securities, DEFENDANTS made
21 misrepresentations of material fact including, but not limited to, representing that: (a) the company
22 would soon have its “initial public offering”; (b) that investor funds would be held separate from
23 Visionary Group operating funds when in fact these funds were co-mingled and new investor
24 funds were used to pay prior investors; (c) that interest payments and portions of profits or
25 dividends owed to investors would be paid regularly; and (d) that the promissory note offered and
26 sold by DEFENDANTS was secured by real property owned by Visionary Group.

27 15. On June 8, 2007, the Commissioner issued a Desist and Refrain Order (“June 2007
28 Desist and Refrain Order”) against HANSON as a result of his involvement with another business.

1 22. Beginning in at least February 2007 and continuing thereafter,
2 DEFENDANTS, and each of them, offered and sold investments to at least fourteen (14)
3 investors raising \$410,750,000.00, including eight (8) investors residing in California, raising
4 at least \$389,250.00.

5 23. The investments offered and sold by DEFENDANTS are “securities” within
6 the meaning of CSL section 25019. The securities include, but are not necessarily limited to,
7 promissory notes, profit sharing agreements, subscription agreements for shares of stock, and
8 investment contracts.

9 24. DEFENDANTS, and each of them, “offered and sold” the securities “within
10 the state” of California within the meaning of CSL sections 25008 and 25017.

11 25. The sales of these securities were “issuer transactions” within the meaning of
12 CSL section 25010 and 25011.

13 26. The Commissioner has not issued a permit or other form of qualification
14 authorizing the offer or sale of the securities referred to herein in the State of California.
15 Further, the Commissioner has not received a permit application for the offer or sale of the
16 securities referred to herein from the DEFENDANTS.

17 27. The offer and sale of securities referred to herein were not exempt from the
18 qualification requirements of CSL section 25110.

19 28. Unless enjoined by this Court, DEFENDANTS will continue to violate CSL
20 section 25110.

21 **SECOND CAUSE OF ACTION**

22 **MISREPRESENTATION OR OMISSION OF MATERIAL FACTS**

23 **IN VIOLATION OF CORPORATIONS CODE SECTION 25401**

24 **(AGAINST ALL DEFENDANTS)**

25 29. Plaintiff incorporates by reference paragraphs 1 through 28 of this Complaint as
26 though fully set forth herein.

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1 30. CSL section 25401 states:

2 It is unlawful for any person to offer or sell a security in this state or buy or offer to
3 buy a security in this state by means of any written or oral communication which
4 includes an untrue statement of a material fact or omits to state a material fact
5 necessary in order to make the statements made, in the light of the circumstances
6 under which they were made, not misleading.

7 31. In connection with the offer and sale of the securities referred to herein,
8 DEFENDANTS, and each of them, made misrepresentations of material fact and/or omitted to
9 state material facts to some or all of the investors. The misrepresentations and/or omissions
10 include but are not necessarily limited to, the following:

11 A. DEFENDANTS omitted to disclose that HANSON was the subject of a June 2007
12 Desist and Refrain Order issued by the Commissioner, ordering HANSON to desist and refrain
13 from the further offer or sale of unqualified, non-exempt securities in the State of California and
14 from making further misrepresentations or omissions of material fact in the offer or sale of
15 securities. Failing to disclose the June 2007 Order is further misleading because DEFENDANTS
16 represented that Visionary Group's "investment program is registered with the Department of
17 Corporation" and touted HANSON's "vast experience."

18 B. DEFENDANTS represented that Visionary Group was on the verge of "going
19 public" and provided investors and potential investors with specific dates for the initial public
20 offering ("IPO"). DEFENDANTS have little or no knowledge of what is necessary to take a
21 company public and had no reasonable basis for the specific IPO dates represented to investors.

22 C. DEFENDANTS represented that investor money would be held separately from the
23 Visionary Group operating account. DEFENDANTS, in fact, commingled these funds and used
24 new investor funds to pay prior investors.

25 D. DEFENDANTS promised interest payments and/or a share of Visionary Group's
26 net profits to investors. DEFENDANTS, in fact, have failed to make payments as promised.

27 E. DEFENDANTS represented that a promissory note offered and sold to an investor
28 was secured by certain real property owned by Visionary Group. DEFENDANTS did not own the
real property in question and the promissory note was never secured by the real property.

1 32. The misrepresentations and omissions referred to herein were “material facts”
2 within the meaning of CSL section 25401, since they concerned matters that a “reasonable
3 investor” would consider important in deciding whether to invest.

4 33. DEFENDANTS’ misrepresentations and omissions of material fact took place
5 “within the state” of California within the meaning of CSL section 25008.

6 34. Unless enjoined by this Court, DEFENDANTS will continue to violate CSL
7 section 25401.

8 **THIRD CAUSE OF ACTION**
9 **VIOLATION OF PRIOR DESIST AND REFRAIN ORDER**
10 **ISSUED BY THE COMMISSIONER**
11 **(AGAINST DEFENDANT HANSON)**

12 35. Plaintiff incorporates by reference paragraphs 1 through 34 of this Complaint as
13 though fully set forth herein.

14 36. CSL section 25532 provides, in pertinent part, as follows:

15 (a) If, in the opinion of the commissioner, (1) the sale of a security is subject to
16 qualification under this law and it is being or has been offered or sold without first
17 being qualified, the commissioner may order the issuer or offeror of the security to
18 desist and refrain from the further offer or sale of the security until qualification has
19 been made under this law

20 . . .

21 (c) If, in the opinion of the commissioner, a person has violated or is violating
22 Section 25401, the commissioner may order that person to desist and refrain from
23 the violation.

24 (d) . . . If that person fails to file a written request for a hearing within 30 days from
25 the date of service of the order, the order shall be deemed a final order of the
26 commissioner and is not subject to review by any court or agency, notwithstanding
27 Section 25609.

28 37. On June 8, 2007, the Commissioner issued the June 2007 Desist and Refrain Order
against defendant HANSON for offering and selling unqualified, non-exempt securities in
violation of CSL section 25110 and for making misrepresentations or omissions of material fact in
the offer and sale of securities in violation of CSL section 25401. The June 2007 Desist and
Refrain Order was personally served on HANSON on July 31, 2007.

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1 2. Violating California Corporations Code section 25401, by offering to sell or selling
2 any security of any kind, including but not limited to, the securities described in this Complaint,
3 by means of any written or oral communication which includes any untrue statement of material
4 fact or omits to state any material fact necessary in order to make the statements made, in the light
5 of the circumstances under which they are made, not misleading; and

6 3. Removing, destroying, mutilating, concealing, altering, transferring, or otherwise
7 disposing of, in any manner, any books, records, computer programs, computer files, computer
8 printouts, correspondence, brochures, manuals, or any other “writing” or “document” of any kind
9 as defined under California Evidence Code section 250, relating to the transactions and course of
10 conduct as alleged in this Complaint, unless authorized by this Court.

11 For an Order of Preliminary Injunction and, ultimately, a Permanent Injunction, pursuant
12 to California Corporations Code section 25530 subdivision (a), restraining and enjoining Robert
13 Wayne Hanson, Jr. from, directly or indirectly, violating the Desist and Refrain Order issued by
14 the California Corporations Commissioner on June 8, 2007, by offering or selling unqualified,
15 non-exempt securities in violation of California Corporations Code section 25110 or by offering or
16 selling securities by means of misrepresentations or omissions of material fact in violation of
17 California Corporations Code section 25401.

18 **II. RESCISSION AND RESTITUTION**

19 For a Final Judgment requiring Robert Wayne Hanson, Jr., Visionary Group Holdings, Inc.
20 and Does 1 through 10, inclusive, to rescind each and all of the unlawful transactions alleged in
21 this Complaint, pursuant to California Corporations Code section 25530, subdivision (b), as shall
22 be determined by this Court to have occurred, and further requiring Robert Wayne Hanson, Jr.,
23 Visionary Group Holdings, Inc. and Does 1 through 10, inclusive, to pay full restitution to each
24 person determined to have been subject to acts, practices, or transactions which constitute
25 violations of the Corporate Securities Law of 1968, in an amount of at least \$410,750.00, or
26 according to proof, to at least fourteen (14) investors. In addition, that Robert Wayne Hanson, Jr.,
27 Visionary Group Holdings, Inc. and Does 1 through 10, inclusive, pay the legal rate of interest on
28 the principal amount invested by each and every investor from the date of their investments to the

1 date of judgment herein.

2 **III. CIVIL PENALTIES**

3 For a Final Judgment requiring Robert Wayne Hanson, Jr., Visionary Group Holdings, Inc.
4 and Does 1 through 10, inclusive, to pay the Department \$25,000.00 as a civil penalty for each act
5 in violation of the Corporate Securities Law of 1968, pursuant to California Corporations Code
6 section 25535, in an amount of at least \$1,250,000.00, or according to proof.

7 **IV. OTHER RELIEF**

8 For such other and further relief as this Court may deem necessary and proper.

9 Dated: August 11, 2008

10 PRESTON DuFAUCHARD
11 California Corporations Commissioner

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13 By: _____
14 ALEX CALERO
15 Corporations Counsel
16 Attorney for the People of California
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