

DEPARTMENT OF CORPORATIONS
California's Investment and Financing Authority**PRESTON DuFAUCHARD**
California Corporations Commissioner**MEDIA RELEASE****For Immediate Release**

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**STATE OBTAINS COURT ORDER TO HALT
MULTI-MILLION DOLLAR INVESTMENT FRAUD**

Sacramento, October 8, 2009 — The California Department of Corporations has obtained a Preliminary Injunction granting the Department's request for an asset freeze and appointment of a receiver against Michael P. Gamboa, his associate Mark H. Poore, and 17 companies they owned or controlled which were alleged to have engaged in securities fraud and diversion of investor funds for personal use.

The Department has filed a civil complaint alleging that Gamboa and his companies raised at least \$5 million from a number of investors, through fraudulent misrepresentation of investment opportunities. The suit further alleges that companies were established and operated by Gamboa and Poore in order to fraudulently obtain client funds and divert them for their personal use. This included personal loans to Gamboa and Poore of at least \$1.9 million, which they claimed were secured by luxury homes, but which were never repaid. The complaint requests defendants pay restitution to investors and civil monetary penalties to the State.

"Through a series of sham companies, these two men defrauded their investors with misrepresentations about the true nature of their business dealings," said Preston DuFauchard, California Commissioner of Corporations. "Our suit against them and the result today shows the commitment of the Department of Corporations to act swiftly and aggressively against dishonest investment advisers and to protect assets for investors in fraudulent schemes."

In addition to Gamboa and Poore, the Preliminary Injunction order is effective against companies controlled by one or both of the men, to include Gamboa & Company; MPG, LLC; RMB Operations, LLC; Palette Sienna International Fund, LLC; Palette Group, LLC; Palette Group II, LLC; Palette III Group, LLC; Palette IV Group, LLC; Palette Aqua Investment Fund, LLC; Palette Cobalt Investment Fund, LLC; The Crimson Fund, LLC; POGA Management Partners, LLC; 401K Retirement Solutions; MXM Investments, LLC; EPLAY, LLC; EPLAY Investments, LLC; and EPLAY Investments 2, LLC; the last three included after a San Francisco Superior Court ruling at a hearing on October 8. The other defendants had previously agreed to stipulate to the entry of a Preliminary Injunction.

The Department's complaint alleges that the defendants unlawfully offered and sold securities, unlawfully offered and sold securities by means of untrue statements or omissions of fact, and engaged in fraud and unethical conduct by an investment adviser. Further, the complaint alleges that defendants operated as unlicensed lenders and brokers and knowingly made untrue statements to the State to obtain an investment adviser license and during an investigation.

The complaint and supporting documents may be viewed at <http://www.corp.ca.gov/ENF/list/m/MPG.asp>.

The Department of Corporations (DOC) is California's investment and financing authority and is responsible for the regulation, enforcement, and licensing of securities, franchises, off-exchange commodities, investment and financial services, independent escrows, consumer and commercial finance lending, residential mortgage lending, payday lenders, check sellers, bill payers, and debt reduction services. Consumers should contact the department to check on the status of the companies, investments or other services they are considering and the licensing status of the person. Contact DOC's toll-free Consumer Resource Center at 1-866-ASK-CORP (1-866-275-2677) or visit www.corp.ca.gov.

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