

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

TO: New Coastal Group, Inc.
Frederick M. Bloom, also known as Fred Bloom
151 Kalmus Drive, Suite C 200
Costa Mesa, California 92626

**DESIST AND REFRAIN ORDER
(For violations of section 25401 of the Corporations Code)**

The Commissioner of Business Oversight (Commissioner) finds that:

1. At all relevant times, New Coastal Group, Inc. (New Coastal) was a Delaware corporation with its last known address at 151 Kalmus Drive, Suite C 200, Costa Mesa, California 92626. New Coastal engages in the business of cannabis testing, sales, cultivation, manufacturing and distribution.
2. At all relevant times, Frederick M. Bloom, also known as Fred Bloom (Bloom) was a representative and chief executive officer of New Coastal also with his last known address at 151 Kalmus Drive, Suite C 200, Costa Mesa, California 92626.
3. Beginning in 2018, New Coastal and Bloom offered securities in California in the form of financing round convertible note to stock investment agreements in New Coastal to at least one California resident. New Coastal and Bloom told investors they would get a percentage of profits from all New Coastal enterprises, with a minimum investment of at least \$25,000.00.
4. In connection with the offer or sale of these securities in this state, New Coastal and Bloom made the following omissions of material facts and/or failed to disclose that:
 - a. The Commissioner issued a Desist and Refrain Order against Bloom for violations of Corporations Code sections 25110 and 25210 on November 15, 1994 and that order became final;
 - b. The State of Oregon, Department of Consumer and Business Services, Division of Finance and Corporate Securities – Securities Section issued a final Cease and Desist Order against

1 Bloom for violations of Oregon Revised Statute, Chapter 52, sections 59.055 and 59.135(2) on July
2 9, 1995;

3 c. The State of South Dakota, Department of Commerce and Regulation, Division of
4 Securities (South Dakota) issued an Order to Cease and Desist and Refrain against Bloom’s employer
5 Creative Pet Products, Inc., on September 5, 1995 for violations of South Dakota Uniform Securities
6 Act, Chapter 47-31A, section 301. On September 25, 1995, South Dakota issued an Order Denying
7 Private Placement Exemption. In the Order Denying Private Placement Exemption, South Dakota
8 found that after the Order to Cease and Desist and Refrain was issued on September 5, 1995, Bloom
9 as the vice president of Creative Pet Products, Inc. continued to solicit the sale of securities in
10 violation of the September 5, 1995 Cease and Desist and Refrain Order. South Dakota named Bloom
11 in the Order Denying Private Placement Exemption in paragraph four; and

12 d. The State of Missouri Secretary of State, Division of Securities issued an Order to
13 Cease and Desist against Bloom for violations of Revised Missouri Statute, Chapter 409, section
14 409.803 and 409.823 on September 1, 1988.

15 Based on the foregoing, the Commissioner of Business Oversight is of the opinion that the
16 securities in the form of investment agreements in New Coastal were offered in this state by New
17 Coastal Group, Inc. and Frederick M. Bloom by means of a written or oral communication which
18 included an untrue statement of material fact or omitted to state a material fact necessary to make the
19 statement made, in light of the circumstances under which they were made, not misleading, in
20 violation of Corporations Code section 25401.

21 Pursuant to Corporations Code section 25532, New Coastal Group, Inc. and Frederick M.
22 Bloom are hereby ordered to desist and refrain from offering or selling or buying or offering to buy
23 any security in California, including but not investment agreements, by means of any written or oral
24 communication which includes an untrue statement of material fact or omits to state a material fact
25 necessary in order to make the statements made, in light of circumstances under which they were
26 made, not misleading.

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

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4 Dated: March 5, 2019
5 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

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7 By _____
8 MARY ANN SMITH
9 Deputy Commissioner
10 Enforcement Division
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