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

5
6 TO: Richard Benedict Alejo Lee
7 EST Capital Group, Inc.
8 16 Corning Avenue, Suite 176
9 Milpitas, CA 95035

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

13 The Commissioner of Business Oversight finds that:

14 1. Richard Benedict Alejo Lee (“Lee”) is a California resident. Beginning in at least
15 2010 and at all relevant times, Lee did business at 16 Corning Avenue, Suite 176, Milpitas, CA
16 95035. Lee is a licensed real estate broker with the California Bureau of Real Estate, License No.
17 01478964.

18 2. EST Capital Group, Inc. (“EST Capital Group”) is a California corporation.
19 Beginning in at least 2010 and at all relevant times, EST Capital Group did business at 16 Corning
20 Avenue, Suite 176, Milpitas, CA 95035.

21 3. Beginning in at least 2010, Lee offered securities in California in the form of
22 investment contracts. Lee represented to two California investors that EST Capital Group, a
23 company that he owned, provided short-term loans to small businesses that could not receive funding
24 through traditional banks. Lee solicited the two California investors to invest in investment contracts
25 in the form of Investment Financing Agreements with EST Capital Group. Lee represented that the
26 investors would receive back their principal funds in addition to high rates of interest. Lee also
27 represented to the two investors that their investment funds were fully insured and that the funds were
28 safe and guaranteed.

1 4. As a result of the solicitations by Lee, the two California investors invested a total of
2 \$167,600.00 in seven Investment Financing Agreements with EST Capital Group. The California
3 investors were passive investors whose only role was to advance funds to purchase the investment as
4 instructed by Lee. The California investors did not receive the investment returns from Lee as
5 promised, and most of the invested principal, as well as all of the promised interest, remain unpaid to
6 the present date.

7 5. In connection with the offer and sale of these securities, Lee and EST Capital Group
8 made, or caused to be made, misrepresentations of material facts and omitted to state material facts
9 necessary in order to make the statements made, in the light of the circumstances under which they
10 were made, not misleading. These misrepresentations and omissions included, but are not limited to:

11 a. The two California investors’ funds were not used to fund small business loans
12 as Lee had represented, but were instead used by Lee for other purposes.

13 b. The investments were not safe and insured from loss.

14 Based upon the foregoing findings, the California Commissioner of Business Oversight
15 is of the opinion that the securities offered by Richard Benedict Alejo Lee and EST Capital Group,
16 Inc. were offered or sold in this state by means of written and oral communications which included
17 untrue statements of material facts and omitted to state material facts necessary in order to make the
18 statements made, in the light of the circumstances under which they were made, not misleading, in
19 violation of section 25401 of the California Securities Law of 1968 (“CSL”). Pursuant to section
20 25532 of the CSL, Richard Benedict Alejo Lee and EST Capital Group, Inc. are hereby ordered to
21 desist and refrain from offering or selling any security in the State of California, including but not
22 limited to Investment Financing Agreements relating to EST Capital Group, Inc., by means of any
23 written or oral communication which includes an untrue statement of a material fact or omits to state
24 a material fact necessary in order to make the statements made, in the light of the circumstances
25 under which they were 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.

3 Dated: December 10, 2015
4 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

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6
7 By _____
8 MARY ANN SMITH
9 Deputy Commissioner
10 Enforcement Division
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