

1 MARY ANN SMITH
 Deputy Commissioner
 2 SEAN ROONEY
 Assistant Chief Counsel
 3 ALEXANDER M. CALERO (State Bar No. 238389)
 Senior Counsel
 4 Department of Business Oversight
 5 1350 Front Street, Room 2034
 San Diego, CA 92101
 6 Telephone: (619) 525-4044
 7 Facsimile: (619) 525-4045
 8 Attorneys for the Complainant

9
 10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
 11 OF THE STATE OF CALIFORNIA

12 In the Matter of:

CONSENT ORDER

13 THE COMMISSIONER OF BUSINESS
 14 OVERSIGHT,

15 Complainant,

16 v.

17 K2 VENTURES, INC. and KENNETH
 18 MANQUEROS

19 Respondents.
 20

21 This Consent Order (Order) is entered into between the Commissioner of Business Oversight
 22 (Commissioner) of the Department of Business Oversight and K2 Ventures, Inc. (K2 Ventures), and
 23 Kenneth Manqueros (Manqueros), and is made with respect to the following facts:

24 **I.**

25 **Recitals**

26 A. The Commissioner has jurisdiction over the regulation of persons engaged in the offer
 27 or sale of securities in California under the Corporate Securities Law of 1968 (Corporations Code
 28 section 25000 et seq.).

1 B. At all relevant times, K2 Ventures was a California corporation that maintained a
2 business address at 3636 Nobel Drive, Suite 160, San Diego, CA 92122.

3 C. At all relevant times, Manqueros was a control person and CEO of K2 Ventures.

4 D. Beginning in at least February 2012, K2 Ventures and Manqueros offered or sold
5 secured and unsecured promissory notes, in California (Securities). The secured promissory notes
6 were collateralized by real property in California.

7 E. The purpose of the Securities offering was to raise funds for the purchase of real
8 property, rehabilitation of the real property, and resale of the real property for a profit.

9 F. The Securities were offered or sold in this state in issuer transactions. The Department
10 of Business Oversight has not issued a permit or other form of qualification authorizing any person to
11 offer or sell these securities in this state.

12 G. K2 Ventures and Manqueros offered these Securities through a formerly Registered
13 Broker who had pre-existing relationships with potential investors. K2 Ventures and Manqueros did
14 not have a substantive, pre-existing personal or business relationship with each and every potential
15 investor.

16 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
17 forth herein, the parties agree as follows

18 **II.**

19 **Terms and Conditions**

20 1. Purpose. This Consent Order resolves the issues before the Commissioner, including
21 findings of facts set forth in paragraphs A through G, above, in a manner that avoids the expense of a
22 hearing and other possible court proceedings, protects consumers, is in the public interest, and is
23 consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

24 2. Finality of Consent Order. K2 Ventures and Manqueros agree to comply with this
25 Order and stipulate this Order is hereby deemed final.

26 3. Desist and Refrain Order. K2 Ventures and Manqueros are hereby ordered to desist
27 and refrain from the offer or sale of unqualified non-exempt securities, in the State of California,
28 including but not limited to secured and unsecured promissory notes, in violation of Corporations

1 Code section 25110 unless and until qualification has been made under the law or unless exempt.

2 4. Waiver of Hearing Rights. K2 Ventures and Manqueros acknowledge the
3 Commissioner is ready, willing, and able to proceed with the filing of an administrative enforcement
4 action on the charges contained in this Order. K2 Ventures and Manqueros hereby waive the right to
5 any hearings, and to any reconsideration, appeal, or other right to review which may be afforded
6 pursuant to the Corporations Code, the California Administrative Procedure Act, the California Code
7 of Civil Procedure, or any other provision of law, including those rights under Corporations Code
8 section 25232, 25232.1 and 25233, and to judicial review of this matter pursuant to Code of Civil
9 Procedure section 1094.5 with respect to the issuance of this Order and the Desist and Refrain Order
10 contained herein. K2 Ventures and Manqueros further expressly waive any requirement for the filing
11 of an Accusation pursuant to Government Code section 11415.60, subdivision (b). By waiving such
12 rights, K2 Ventures and Manqueros effectively consent to this Order and Desist and Refrain Order
13 becoming final.

14 5. Full and Final Settlement. K2 Ventures and Manqueros hereby acknowledge and agree
15 that this Order is intended to constitute a full, final, and complete resolution of the conduct described
16 in paragraphs D through G, above, and that no further proceedings or actions will be brought by the
17 Commissioner in connection with these matters except under the Corporate Securities Law of 1968,
18 or any other provision of law, to enforce compliance with the terms of this Order.

19 6. Information Willfully Withheld or Misrepresented. This Order may be revoked, and
20 the Commissioner may pursue any and all remedies available under the law against K2 Ventures and
21 Manqueros, if the Commissioner discovers that K2 Ventures and Manqueros knowingly or willfully
22 withheld or misrepresented information used for and relied upon in this Order.

23 7. Future Actions by Commissioner. If K2 Ventures and Manqueros fail to comply with
24 any term of the Order, the Commissioner may institute proceedings for any and all violations
25 otherwise resolved under this Order. The Commissioner reserves the right to bring any future actions
26 against K2 Ventures and Manqueros for any and all unknown violations of the Corporate Securities
27 Law of 1968.

28 8. Assisting Other Agencies. Nothing in this Order limits the Commissioner's ability to

1 assist any other government agency (city, county, state, or federal) with any prosecution,
2 administrative, civil, or criminal brought by that agency against K2 Ventures, Manqueros, or any
3 other person based upon any of the activities alleged in this matter or otherwise.

4 9. Headings. The headings to the paragraphs of this Order are inserted for convenience
5 only and will not be deemed a part hereof or affect the construction or interpretation of the provisions
6 hereof.

7 10. Binding. This Order is binding on all heirs, assigns, and/or successors in interest.

8 11. Reliance. Each of the parties represents, warrants, and agrees that in executing this
9 Order it has relied solely on the statements set forth herein and the advice of its own counsel. Each of
10 the parties further represents, warrants, and agrees that in executing this Order it has placed no
11 reliance on any statement, representation, or promise of any other party, or any other person or entity
12 not expressly set forth herein, or upon the failure of any party or any other person or entity to make
13 any statement, representation or disclosure of anything whatsoever. The parties have included this
14 clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this
15 Order; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or
16 contradict the terms of this Order.

17 12. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
18 this Order will be valid or binding unless it is in writing and signed by each of the parties. The waiver
19 of any provision of this Order will not be deemed a waiver of any other provision. No waiver by
20 either party of any breach of, or of compliance with, any condition or provision of this Order by the
21 other party will be considered a waiver of any other condition or provision or of the same condition
22 or provision at another time.

23 13. Full Integration. This Order is the final written expression and the complete and
24 exclusive statement of all the agreements, conditions, promises, representations, and covenants
25 between the parties with respect to the subject matter hereof, and supersedes all prior or
26 contemporaneous agreements, negotiations, representations, understandings, and discussions between
27 and among the parties, their respective representatives, and any other person or entity, with respect to
28 the subject matter covered hereby.

1 14. Governing Law. This Order will be governed by and construed in accordance with
2 California law. Each of the parties hereto consents to the jurisdiction of such court, and hereby
3 irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the
4 maintenance of such action or proceeding in such court.

5 15. Counterparts. This Order may be executed in one or more separate counterparts, each
6 of which when so executed, shall be deemed an original. Such counterparts shall together constitute a
7 single document.

8 16. Effect Upon Future Proceedings. If K2 Ventures or Manqueros applies for any
9 license, permit or qualification under the Commissioner's current or future jurisdiction, or is the
10 subject of any future action by the Commissioner to enforce this Order, then the subject matter hereof
11 shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

12 17. Voluntary Agreement. K2 Ventures and Manqueros enter this Order voluntarily and
13 without coercion and acknowledge that no promises, threats or assurances have been made by the
14 Commissioner or any officer, or agent thereof, about this Order. The parties each represent and
15 acknowledge that he, she or it is executing this Order completely voluntarily and without any duress
16 or undue influence of any kind from any source.

17 18. Notice. Any notice required under this Order shall be provided to each party at the
18 following addresses:

19
20 To the Commissioner: Department of Business Oversight
21 Attn: Alexander M. Calero
22 1350 Front Street, Room 2034
23 San Diego, CA 92101
24 alex.calero@dbo.ca.gov

25
26 To K2 Ventures, Inc.: K2 Ventures, Inc.
27 Attn: Kenneth Manqueros
28 3636 Nobel Drive, Suite 160
 San Diego, CA 92122

 With a Copy to: Scudi & Ayers, LLP
 Attn: Morgan Scudi
 5440 Morehouse Drive, Suite 4400
 San Diego, CA 92121

1 19. Signatures. A fax or electronic mail signature shall be deemed the same as an original
2 signature.

3 20. Public Record. K2 Ventures and Manqueros acknowledge that this Order is and will
4 be a matter of public record.

5 21. Effective Date. This Order shall become final and effective when signed by all parties
6 and delivered by the Commissioner’s agent via e-mail to Manqueros at ken@kenmanqueros.com.

7 22. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary
8 capacity and authority to sign and enter into this Order and undertake the obligations set forth herein.

9 23. Independent Legal Advice. K2 Ventures and Manqueros represent, warrant, and agree
10 that they received independent advice from their attorney(s) and/or representatives with respect to the
11 advisability of executing this Order.

MANUEL P. ALVAREZ
Commissioner of Business Oversight

15 Dated: August 10, 2020

By _____
Mary Ann Smith
Deputy Commissioner

K2 VENTURES, INC.

20 Dated: August 7, 2020

By _____
Kenneth Manqueros, individually
and on behalf of K2 Ventures, Inc.