

1 STATE OF CALIFORNIA
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
3 DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

4 TO: Christopher Gordon Abbott
5 Comet Confections PBC
6 3302 California Street, Apartment E
7 Berkeley, California 94703

8 **DESIST AND REFRAIN ORDER**

9 **(For violation of section 25110 of the Corporations Code)**

10 The California Commissioner of Financial Protection and Innovation finds that:

11 1. The Department of Financial Protection and Innovation (Department) regulates the
12 offer and sale of securities in California under the Corporate Securities Law of 1968 (Corp. Code
13 § 25000 et seq.) (CSL). Absent a relevant exception, it is unlawful to offer or sell securities in the
14 State of California unless the offer and sale has been qualified under the law. (Corp. Code § 25110).

15 2. Moreover, any person who with knowledge directly or indirectly controls and induces
16 another person to violate any provision of the CSL or provides substantial assistance to another
17 person in violation of any provision of the CSL is deemed to be in violation of that provision to the
18 same extent as the other person. (Corp. Code § 25403, subs. (a), (b).)

19 3. At all relevant times, Comet Confections PBC (Comet) was a nonprofit public benefit
20 corporation organized for public and charitable purposes, formed on or about March 9, 2017.
21 Comet’s last known business address is 3302 California Street, Apartment E, Berkeley, California
22 94703. Comet was in the business of manufacturing and selling edible cannabis products.

23 4. At all relevant times, Christopher Gordon Abbott (Abbott) was a “control” person of
24 Comet within the meaning of California Corporations Code sections 160 and 25403. Abbott’s last
25 known business address is 3302 California Street, Apartment E, Berkeley, California 94703.

26 5. At all relevant times, Abbott controlled and induced or provided substantial assistance
27 to Comet within the meaning of Corporations Code section 25403, subdivisions (a) and (b).

28 6. Beginning at least as early as 2017, Abbott, on Comet’s behalf, offered and sold

1 securities in the form of corporate equity in Comet. These securities were sold using an investment
2 contract Abbott and Comet referred to as an “Agreement for Investment.”

3 7. At least one person in California provided money to Abbott to invest in Comet in
4 connection with an “Agreement for Investment.” Under the “Agreement for Investment,” the
5 purchaser would be entitled to monthly payments until the sum they invested was returned, and once
6 the invested sum was returned the investor then would retain an equity stake in Comet.

7 8. As explained in a brief document accompanying the “Agreement for Investment,” the
8 investment proceeds would be used by Abbott and Comet for, among other things, purchasing
9 materials raw materials to produce edible cannabis products, cannabis product packaging, cannabis
10 product machinery, and cannabis product manufacturing.

11 9. The “Agreement for Investment” was a security and was neither qualified nor subject
12 from the qualification requirement under the CSL. The Department of Financial Protection and
13 Innovation has not issued a permit or other form of qualification authorizing Abbott or Comet to sell
14 these securities in California.

15 10. Neither Abbot nor Comet attempted to investigate whether this investor was properly
16 accredited and suitable to invest in an unregistered security.

17 11. Neither Abbott nor Comet made the regular monthly payments as agreed to in the
18 Agreement for Investment.

19 Based on the foregoing findings, the Commissioner of Financial Protection and Innovation is
20 of the opinion that the securities offered and sold by Christopher Gordon Abbott and Comet
21 Confections PBC were subject to qualification under the CSL and have been offered or are being
22 offered or sold without first being qualified in violation of Corporations Code section 25110.

23 Moreover, the Commissioner of Financial Protection and Innovation is of the opinion that
24 Christopher Gordon Abbott has violated Corporations code Section 25110 by knowingly or directly
25 controlling or inducing or providing substantial assistance to Comet Confections PBC to violation
26 section 25110 within the meaning of section 25403, subdivisions (a) and (b).

27 Pursuant to Corporations Code section 25532, Christopher Gordon Abbott and Comet
28 Confections PBC are hereby ordered to desist and refrain from the further offer or sale of securities,

1 including but not limited to corporate equity, until the qualification requirements of the CSL have
2 been met.

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

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6 Dated: January 27, 2021
7 Sacramento, California

MANUEL P. ALVAREZ
Commissioner of Financial Protection and Innovation



By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division