

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

4 Dona Melikian
5 Melikian Financial Agency, Inc.
6 200 Spectrum Center Drive, #150
7 Irvine, California 92618

8 ESL Investments and Capital Group, Inc.
9 9813 Marklein Avenue
10 North Hills, California 91343

11 **DESIST AND REFRAIN ORDER**

12 **(For violations of sections 25110, 25401 of the Corporations Code)**

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

14 1. At all relevant times, Melikian Financial Agency, Inc. (MFA) is, or was, a California
15 corporation with its principal place of business located at 200 Spectrum Center Drive, #150, Irvine,
16 California 92618.

17 2. On or about December 11, 2018, MFA filed for registration with the California
18 Secretary of State (SOS), however, on or about March 18, 2019, the SOS cancelled MFA's
19 registration because the check Melikian wrote for payment of the registration fee was not honored due
20 to insufficient funds.

21 3. At all relevant times, Dona Melikian (Melikian) is, or was, the president and chief
22 executive officer of MFA. Melikian held herself out to potential investors as a financial advisor and
23 planner.

24 4. According to the California Department of Insurance (CDI), Melikian was issued life
25 insurance agent license number 0I43410 on August 28, 2013. The CDI's licensing database shows the
26 status of Melikian's life insurance license as inactive as of August 31, 2021.

27 5. At all relevant times, ESL Investments and Capital Group, Inc. (ESL) is, or was, a
28 California corporation with its principal place of business located at 9813 Marklein Avenue, North
Hills, California 91343.

1 6. Beginning in or about April 2018, Melikian, MFA, and ESL, offered or sold
2 unqualified, non-exempt securities in the form of promissory notes or investment contracts to at least
3 two California residents, raising at least \$180,000.00.

4 7. Beginning in about August 2018, Melikian, on behalf of MFA, solicited investors
5 including clients to whom she previously offered or sold life insurance products or services. Melikian
6 contacted potential investors by telephone and invited them to invest in an investment opportunity she
7 described as “Las Vegas and Los Angeles Hotels and Resorts through ESL Investments and Capital
8 Group Inc. with extremely high returns in a short amount of time”. Melikian and MFA also touted
9 another investment opportunity purportedly comprising of “gold with a Saudi Arabian Embassy” to
10 investors.

11 8. Melikian on behalf of MFA, directed investors to pay their investment money into a
12 trust account assuring investors that their money was “100% guaranteed safe” as the money would be
13 held in a trust account of an attorney. Melikian claimed that this account was insured. Melikian further
14 claimed that she has been managing this investment for over four years and “never lost money”.

15 9. On or about September 4, 2018, Melikian, on behalf of MFA and ESL, executed at
16 least one promissory note (Note) dated September 4, 2018, which promised to pay the “principal
17 amount of the note with 40% interest....” The Note further stated that “Payments shall be made on a
18 one lump sum basis, in the amount of \$70,000 due three weeks from receipt of the principal \$50,000”.

19 10. On or about December 17, 2018, Melikian, on behalf of MFA, executed “Paymaster
20 Agreements” (Agreement) with at least one investor. Melikian promised to pay a monthly interest of
21 10% to investors every thirty days under the Agreement.

22 11. Contrary to the verbal statements of Melikian and the written statements contained in
23 Note and the Agreement, investors were not paid the promised returns. Melikian, MFA and ESL later
24 stopped sending any payments all together.

25 12. When investors requested their investment back, Melikian told investors that there were
26 “some issues with the banks, but everything is fine.” Melikian informed investors that a “principal
27 investor” would call the investors back to explain the delays. At least one investor later received a call
28 from an individual who identified himself as Mohamed Salih (Salih). Salih who identified himself as a

1 “principal investor” said that a large sum of money had been sent from abroad which would ensure
2 that investors again start receiving their interest payments within several weeks. While an investor
3 received a partial interest payment, neither full interest payments nor return of investors’ principal
4 investments were ever made to investors.

5 13. To date, investors have not received the returns they were promised.

6 14. These securities were offered or sold in this state in issuer transactions. The
7 Department of Financial Protection and Innovation has not issued a permit or other form of
8 qualification authorizing any person to offer or sell the above-described securities, in this state.

9 15. In connection with the offer or sale of these securities, Melikian and MFA made the
10 following untrue statements of material facts:

11 a. Melikian held herself out to the public as a licensed financial adviser and planner when
12 in fact, she is not licensed as a financial adviser or planner.

13 b. Melikian represented to investors that their funds would be invested in hotel resorts and
14 gold, when in reality Melikian and MFA used investor funds for their personal expenses.

15 c. Melikian promised investors 10% returns on their investments every 30 days, when in
16 reality, investors did not receive the returns promised.

17 d. Melikian told investors that they could withdraw their investment from the trust
18 account “at any time” and “without reason,” when in reality, the investors could not withdraw their
19 investments from the trust account.

20 Based on the foregoing findings, the Commissioner of Financial Protection and Innovation is
21 of the opinion that the promissory notes or investment contracts offered or sold by Melikian, MFA,
22 and ESL, are securities subject to qualification under the Corporate Securities Law of 1968 and are
23 being or have been offered or sold without first being qualified in violation of Corporations Code
24 section 25110.

25 Pursuant to Corporations Code section 25532, Dona Melikian, Melikian Financial Agency,
26 Inc., and ESL Investments and Capital Group, Inc., are ordered to desist and refrain from the further
27 offer and sale of securities in California, including, but not limited to, promissory notes or investment
28 contracts, unless and until qualification has been made under the Corporate Securities Law of 1968, or

1 unless exempt.

2 Further, the Commissioner of Financial Protection and Innovation is of the opinion that
3 securities Melikian and MFA offered or sold securities in this state by means of written or oral
4 communications which included untrue statements of material facts or omitted to state a material fact
5 necessary in order to make the statements made, in the light of the circumstances under which they
6 were made, not misleading, in violation of Corporations Code section 25401.

7 Pursuant to Corporations Code section 25532, Dona Melikian, and Melikian Financial Agency,
8 Inc., are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any
9 security in the State of California, including, but not limited to, promissory notes or investment
10 contracts, by means of any written or oral communication which includes an untrue statement of a
11 material fact or omits to state a material fact necessary in order to make the statements made, in the
12 light of the circumstances under which they were made, not misleading.

13 Pursuant to Corporations Code section 25403, subdivision (b), any person that knowingly
14 provides substantial assistance to another person in violation of any provision of this division or any
15 rule or order thereunder shall be deemed to be in violation of that provision, rule, or order to the same
16 extent as the person to whom the assistance was provided.

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

19 Dated: October 13, 2021

CHRISTOPHER S. SHULTZ
Acting Commissioner of Financial Protection and
Innovation



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21
22
23 By _____
24 MARY ANN SMITH
25 Deputy Commissioner
26 Enforcement Division
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