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10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
11 OF THE STATE OF CALIFORNIA

12  
13 In the Matter of: )  
 )  
14 THE COMMISSIONER OF FINANCIAL ) STATEMENT IN SUPPORT OF ORDER  
PROTECTION AND INNOVATION, ) LEVYING ADMINISTRATIVE PENALTIES  
15 ) PURSUANT TO CORPORATIONS CODE  
 ) SECTION 25252  
16 Complainant, )  
 )  
17 v. )  
 )  
18 )  
 )  
19 GRATIA VENTURES, LLC and )  
RONALD KEVIN FLEMING, )  
20 )  
 )  
21 Respondents. )  
 )  
22 )

23 Clothilde V. Hewlett, the Commissioner of Financial Protection and Innovation  
24 (“Commissioner”) brings this action in the public interest and alleges and charges as follows:

25 **I.**

26 **Statement of Facts**

27 1. At all relevant times, Gratia Ventures, LLC (“Gratia”), a Wyoming Corporation,  
28 maintained addresses at: 30 North Gould Street, Ste. 12, Sheridan, WY 82801; and 3571 East Sunset

1 Road, Suite 300, Las Vegas, NV 89120. Gratia operated and maintained an internet website located  
2 at <https://gratiaventures.com>.

3 2. At all relevant times, Ronald Kevin Fleming (“Fleming”) was the Chief Operating  
4 Officer and a board member of Gratia.

5 3. On October 4, 2016, the Commissioner issued a Desist and Refrain Order against  
6 Fleming and related entities Pacific Management Group, Inc. d.b.a. Grupo Pacifico GPAC, SA08-  
7 13, Pacific Teak Reforestation Project, and Elite Associates Ltd. PMG (collectively “respondents”)  
8 for the offer and sale of unqualified, non-exempt securities in California in violation of Corporations  
9 Code section 25110 (“2016 Desist and Refrain Order”). Further, the Commissioner found that, in  
10 connection with the offer and sale of securities, Fleming and respondents made, or caused to be  
11 made, misrepresentations of material fact or omitted to state material facts necessary in order to  
12 make the statements made, in light of the circumstances under which they were made, not  
13 misleading in violation of Corporations Code section 25401.

14 4. On or around October 10, 2016, Fleming was served with the 2016 Desist and Refrain  
15 Order. Fleming did not contest the 2016 Desist and Refrain Order, and therefore it is final.

16 5. In or around January 2020, Fleming and Gratia informed prospective investors that  
17 Gratia had “subsidiaries in Colorado, California, Colombia, Mexico, and Costa Rica poised for rapid  
18 growth in the Cultivation of Industrial Hemp, Processing of crude CBD oil, and the Sale of CBD  
19 Products as well as wholesale excess CBD oil and other related products.” Fleming and Gratia touted  
20 to prospective investors that the company was in “the process of purchasing a publicly traded  
21 company which will provide not only an exit strategy for investors but also make it possible to  
22 purchase other companies that are in line with its strategies.” Fleming and Gratia failed to disclose  
23 the 2016 Desist and Refrain Order to prospective investors.

24 6. Additionally, Fleming and Gratia gave prospective investors copies of its  
25 Comprehensive Business Plan and Pitch Deck, but these marketing materials did not disclose the  
26 2016 Desist and Refrain Order.

27 7. In or around January 2020, Gratia operated a website at <https://gratiaventures.com>.  
28 This website claimed “[w]hat really sets Gratia Ventures apart from the competition is the focus that

1 we have on complete vertically integrated operations in the U.S. and in Latin America with the  
2 access to distribution channels in Latin America and Europe.” Gratia’s website did not disclose the  
3 2016 Desist and Refrain Order.

## 4 II.

### 5 Violations of Corporations Code Section 25401

6 8. From January 2020 through July 2020, Fleming and Gratia offered and sold to at least  
7 one California resident a 10 percent convertible note for \$21,000. The 10 percent convertible note  
8 granted the California resident “the right, at the Holder’s option, to convert the principal balance, in  
9 whole or in part (‘Conversion Amount’), into shares of Common Stock, par value \$0.001 per share  
10 (‘Common stock’) of the Company. The conversion price shall be \$1.50 per share of Common Stock  
11 (‘Conversion Price’) . . . [Gratia] is in the process of seeking a public trading company in which to  
12 operate.” The 10 percent convertible note failed to disclose the 2016 Desist and Refrain Order.

13 9. In or about December 3, 2020, when the California resident requested to exercise  
14 their conversion rights under the note, Fleming and Gratia neither gave the California resident  
15 common stock nor the conversion amount as promised in the 10 percent convertible note. To date,  
16 the California resident has not received their principal investment of \$21,000 back from either Gratia  
17 or Fleming.

18 10. In fact, Gratia never purchased a public company and did not manufacture or sell any  
19 CBD products to the public. On or around December 9, 2020, Gratia was administratively dissolved  
20 for failing to deliver its 2020 annual report(s) and pay its annual license tax to the State of Wyoming.

21 11. In connection with the offer and sale of these securities, Gratia Ventures, LLC and  
22 Ronald Kevin Fleming made, or caused to be made, misrepresentations of material fact or omitted to  
23 state material facts necessary in order to make the statements made, in the light of the circumstances  
24 under which they were made, not misleading. These misrepresentations and omissions were the  
25 following:

26 a) Gratia Ventures, LLC and Ronald Kevin Fleming omitted to inform investors  
27 of the 2016 Desist and Refrain Order;

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**IV.**

**Prayer**

WHEREFORE, good cause showing, and pursuant to Corporations Code section 25252, subdivision (a), the Commissioner prays for an order levying administrative penalties against Respondents Gratia Ventures, LLC and Ronald Kevin Fleming, individually, jointly and severally, of one thousand dollars (\$1,000) for the first violation of Corporations Code section 25401 and two thousand five hundred dollars (\$2,500) for each subsequent violation according to proof.

Dated: June 17, 2022

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation

By: \_\_\_\_\_  
Vanessa T. Lu  
Senior Counsel  
Enforcement Division