

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

4 TO: Warren Sattler
5 6 Fox Drive
6 Point Reyes Station, CA 94956

7 SOLAR JOOS INC.
8 6 Fox Drive
9 Point Reyes Station, CA 94956

10 **DESIST AND REFRAIN ORDER**

11 **(For Violations of Sections 25110 and 25401 of the California Corporations Code)**

12 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

13 1. The Department of Financial Protection and Innovation (Department) regulates the
14 offer and sale of securities in California under the Corporate Securities Law of 1968 (Cal. Corp. Code
15 §§ 25000-25707) (CSL).

16 2. At all relevant times, Solar Joos Inc. (Solar Joos), was a Delaware corporation, with a
17 California branch located at 6 Fox Drive, Point Reyes Station, CA 94956.

18 3. At all relevant times, Respondent Warren Sattler (Sattler) was the Chief Executive
19 Office, Secretary and Chief Financial Officer of Solar Joos. Sattler is a California resident, using the
20 address 6 Fox Drive, Point Reyes Station, CA 94956.

21 4. At all relevant times, Solar Joos represented itself as in the business of designing,
22 manufacturing, and selling portable solar batteries and associated accessories.

23 5. At all relevant times, Sattler controlled and induced or provided substantial assistance
24 to Solar Joos within the meaning of California Corporations Code section 25403(a) and (b) as
25 described below.

26 6. Beginning in 2016 or earlier, Sattler offered and sold securities in the form of
27 promissory notes (Notes), which Sattler described to investors as “short-term, very high yield” bridge
28 loans for Solar Joos. The Notes were offered and sold via a document entitled “SOLAR JOOS INC.
LOAN AGREEMENT” and the promised returns were stated to be as much as 50% of the principal

1 to be paid out in as little as 14 days.

2 7. Solar Joos and Sattler offered and sold at least 60 Notes between 2016 and 2018. Solar
3 Joos raised as much as \$637,500 through the sale of these Notes.

4 8. Beginning in 2016 and as late as 2018, Sattler stated to multiple prospective investors
5 that the reason Solar Joos could offer such extraordinary returns was that the company was expecting
6 to receive “grant funding” within two months, and that the funds raised by the Notes were to be used
7 to “keep things running smoothly” until then. The Notes specify that the funds were to be used to
8 “pay certain business expenses.”

9 9. Sattler also communicated to many investors that he was personally guaranteeing the
10 Notes due to his certainty of securing the grant funding. Some of the Notes explicitly included a
11 clause providing that “repayment of this note shall be personally guaranteed by Warren Sattler.”

12 10. Starting in August 2016 Solar Joos and Sattler started failing to pay either the returns
13 or the principal on the agreed upon due date stated in the Notes. For almost two years, Solar Joos and
14 Sattler nevertheless continued to offer new Notes based on representations about Solar Joos’
15 anticipated receipt of grant funding. Sattler also continued to offer his personal guarantee to investors
16 to convince investors to invest funds.

17 11. Sattler used investors funds to make payments to himself, his wife, his son, and to
18 fund a new business called SW Associates LLC, which Sattler formed in 2018.

19 12. From 2015 to 2020, Solar Joos was operating at a loss each year of at least \$350,000
20 per year.

21 13. The Notes are securities within the meaning of California Corporations Code section
22 25019. They were offered or sold in this state in issuer transactions. The Department of Financial
23 Protection and Innovation has not issued a permit or other form of qualification authorizing any
24 person to offer and sell these securities in this state.

25 14. In connection with the offer or sale of these securities, Solar Joos and Sattler caused to
26 be made, untrue statements of material fact and omissions to potential investors, including but not
27 limited to the following:

- 28 a. misrepresenting the expected profits and risk of loss of the principal of the Notes;

- 1 b. failing to disclose that Solar Joos was operating at a substantial loss each year starting
- 2 from at least 2015;
- 3 c. failing to disclose to new investors that neither Solar Joos nor Sattler was paying
- 4 previous Note holders the interest or principal due on the Notes;
- 5 d. failing to disclose that the Solar Joos securities were not qualified in California; and
- 6 e. failing to disclose that investor's money would be used to make payments, via written
- 7 checks, to Sattler's wife, Sattler's son, and another entity owned by Sattler named
- 8 SW Associates LLC.

9 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered
10 or sold by Solar Joos Inc were subject to qualification under the CSL and have been or are being
11 offered or sold without first being qualified in violation of California Corporations Code section
12 25110.

13 Pursuant to California Corporations Code section 25532(a), Solar Joos Inc. and Warren
14 Sattler are hereby ordered to desist and refrain from the further offer or sale of securities in
15 California, including but not limited to Notes, unless and until the qualification requirements of the
16 CSL have been met.

17 In addition, the Commissioner is of the opinion that Solar Joos Inc and Warren Sattler offered
18 or sold securities in California by means of oral or written communications which included untrue
19 statements of material facts or omitted to state material facts necessary in order to make the
20 statements made, in the light of the circumstances under which they were made, not misleading, in
21 violation of California Corporations Code section 25401.

22 Pursuant to Corporations Code section 25532(c), Solar Joos Inc. and Warren Sattler are
23 hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security
24 in California, including but not limited to Notes, by means of any written or oral communication
25 which includes an untrue statement of a material fact or which omits to state a material fact necessary
26 in order to make the statements made, in the light of the circumstances under which they were made,
27 not misleading.

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

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4 DATED: July 19, 2024
5 Sacramento, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



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