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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: John Romero, individually and
doing business as ABBA Resources Unlimited
1416 Hilltop Drive, Suite B
Chula Vista, California 91911-5215

ABBA Resources Unlimited, an Oregon Corporation
3535 S.E. 86th Avenue, #226
P.O. Box 66039
Portland, Oregon 97290

ABBA Resources Unlimited
121 East 31st Street
National City, California 91950

John Romero
Jennie Romero
757 Emory Street, Suite 118
Imperial Beach, California 91932-2231

DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. John Romero is the President of ABBA Resources Unlimited, located at 121 East 31st Street, National City, California 91950. Jennie Romero is the Secretary of ABBA Resources Unlimited.
2. ABBA Resources Unlimited is an Oregon nonprofit corporation filed January 18, 2000. Its registered office address is 3535 S.E. 86th Avenue, #226 Portland, Oregon 97290. According to records of the Oregon Secretary of State, John Romero is the President of ABBA Resources Unlimited and Jennie Romero is the company secretary. The address of record of both officers is 757 Emory Street, Suite 118, Imperial Beach, California 91932-2231.

1 3. John Romero filed a Fictitious Business Name for ABBA Resources Unlimited with the
2 California Secretary of State on August 14, 1993 with the business address of 1416 Hilltop Drive,
3 Suite B, Chula Vista, California 91911-5215.

4 4. On or about October 17 2002, John Romero entered into a written agreement selling
5 investment interests in a "Joint Venture Private Placement" for Abba Resources Unlimited, which
6 indicated that in exchange for the receipt of the "Funds" from the investor or "Principal" that the
7 Principal will have a interest in the "Program" which is a "Joint Venture Private Investment
8 undertaking involving, but not necessarily limited to, financial activities such as: (1) the purchase and
9 sale of investment grade financial instruments issued by qualified top Western European and United
10 States Banking institutions; (2) debt and/or equity financing; (3) investment in real estate; (4)
11 commercial Leasing; (5) asset based lending, and/or (7) bridge capital lending (the "Financial
12 Activities");"

13 5. The written agreement states that "the Funds and any other monies invested in the program
14 will be secured by a bank guarantee (the "Collateral") that is placed and pledged as security for
15 Principal's Funds: and ... Principal's participation in the program is to be secured by collateral of
16 equal value plus an additional ten (10%)."

17 6. The written agreement also states that John Romero, the "Manager", "will secure Principal's
18 initial participation with an authentic, valid, verifiable, and confirmed bank instrument, rated at least
19 AA by Moody's and Standard and Poor's, in the form of a Bank Guarantee. Said COLLATERAL
20 shall name Principal as beneficiary and shall be unencumbered...Said COLLATEAL (sic) will be
21 issued at face value equal to the Principal's initial participation plus an additional ten percent (10%)."

22 7. The written agreement also provided that the "Program is reserved for accredited participants
23 only, (as defined by the 1933 Securities Act). The minimum allowed for entry is One Million United
24 States Dollars (USD \$1,000,000)."

25 8. The written agreement specifies that the "Manager will perform this (sic) "best efforts" to
26 achieve and earning target of 5%) (sic) per month or yield 15% per quarter, as the case may be, on
27 Principal's initial participation (the "Target Earnings")", and that "the disbursement of earnings will
28 be made on the ninetyieth (sic) (90Th) day from the transfer of funds out of Escrow or initial start

1 date. Disbursement will be made to bank accounts designated by Principal in accordance with Exhibit
2 E.,” (target at an amount equal to 15% of the Principals initial participation amount). b. Disbursement
3 to Designated Accounts.” Within ninety days (90) after the transfer of the Funds out of Escrow
4 account, Principal will be paid its first disbursement of earnings.”

5 9. The written agreement further specifies that with regard to repayment of the principal “The
6 Parties agree that the initial term of the above-described Program shall continue for one (1) year from
7 the original or issuance date of the COLLATERAL. The expiry date of said COLLATERAL shall be
8 360 days starting from the issuance date. Ten days (10) prior to the expiry date of said SLC, Manager
9 will return to Principal at least an amount in USD cash equal to initial participation.”

10 10. In fact, Abba Resources Unlimited and John Romero sold the investment interests in the Joint
11 Venture to persons who invested only \$25,000 and not to accredited investors as defined in the
12 Security Act of 1933 or that invested a minimum of one million dollars as represented in the written
13 agreement.

14 11. Abba Resources Unlimited and John Romero did not secure the principals’ investment with a
15 “bank guarantee” as Collateral for the funds invested, equal to the amount of the funds invested plus
16 10%, or secure the principals’ investment with an authentic, valid, verifiable, and confirmed bank
17 instrument, rated at least AA by Moody’s and Standard and Poor’s, in the form of a Bank guarantee
18 which named the principal as beneficiary and was unencumbered.

19 12. Abba Resources Unlimited did not make interest payments to the investors or principals on the
20 90th day from the date of escrow and after making interest payments for two months stopped paying
21 the Principals and refused to pay the Principals any more.

22 13. After 360 days from the issuance date of the investment, Abba Resources Unlimited and John
23 Romero did not return any of monies invested to the Principals.

24 14. The Department of Corporations has not issued any permit, license or other form of
25 authorization, approval or qualification to allow any person to offer and sell investment contracts or
26 joint venture interests in ABBA Resources Unlimited.

27 Based upon the foregoing findings, the California Corporations Commissioner is of the
28 opinion that the investment contracts and joint venture interests in ABBA Resources Unlimited

1 constitute securities which are subject to qualification under the California Corporate Securities Law
2 of 1968, and that these securities have been and are being offered and sold without being qualified.

3 The California Corporations Commissioner is of the further opinion that the investment
4 contracts and joint venture interests in ABBA Resources Unlimited have been and are being offered
5 and sold in this state by means of written and oral communications, which include untrue statements
6 or omissions of material facts, in violation of section 25401 of the California Corporate Securities
7 Law of 1968.

8 Pursuant to Corporations Code section 25532, John Romero, Jennie Romero and ABBA
9 Resources Unlimited are hereby ordered to desist and refrain from the further offer or sale in the State
10 of California of investment contracts and joint venture interests in ABBA Resources Unlimited,
11 unless and until qualification has been made under the California Corporate Securities Law.

12 Pursuant to Corporations Code section 25532, John Romero, Jennie Romero and ABBA
13 Resources Unlimited are hereby further ordered to desist and refrain from the further offer or sale in
14 the State of California of investment contracts and joint venture interests in ABBA Resources
15 Unlimited, by means of any written or oral communication which includes untrue statements or
16 omissions of material facts.

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
20 Dated: October 22, 2004
21 Sacramento, California

22 William P. Wood
23 California Corporations Commissioner

24
25 By _____
26 VIRGINIA JO DUNLAP
27 Deputy Commissioner
28 Enforcement and Legal Services Division