State of California - Department of Corporations

STATE OF CALIFORNIA

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CORPORATIONS

TO: John Edward Daggett
2528 Peet Lane
Escondido, CA 92025

DESIST AND REFRAIN ORDER

(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. John Edward Daggett ("Daggett") is an individual doing business at 2528 Peet Lane, Escondido, CA.

2. Beginning in or about 2003, Daggett has offered and sold securities in the form of promissory notes to investors. Although they are frequently described as "personal financial transactions," Daggett represents to investors that he will use the money for business purposes to generate profits, e.g., to fund trading by Daggett on currency exchanges, or to fund real estate transactions by Daggett for profit. The notes are frequently due in a matter of several months, carry interest rates in the teens, and often promise "bonus" payments in addition to monthly payment obligations. Daggett "guarantees" complete repayment, and represents that there is no risk to the investor in the transaction.

3. These securities were offered and sold in this state in issuer transactions. The Department of Corporations has not issued a permit or other form of qualification authorizing any person to offer and sell these securities in this state.

4. Daggett has failed to disclose to investors that he has failed to make interest and/or principal payments to earlier investors, and that matured notes have remained unpaid.

Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that the promissory notes issued by John Edward Daggett are securities subject to qualification under the California Corporate Securities Law of 1968 (California Corporations Code section 25000 et seq.) and are being or have been offered or sold without being qualified in violation of Corporations Code section 25110. Pursuant to section 25532 of the Corporate Securities Law of 1968, John Edward Daggett is hereby ordered to desist and refrain from the further offer or sale in the State of California of securities, including but not limited to promissory notes, unless and until qualification has been made under the law or unless exempt.

Further, the California Corporations Commissioner is of the opinion that the securities that are being or have been offered or sold by John Edward Daggett have been offered or sold in this state by means of written or oral communications which included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the Corporate Securities Law of 1968, John Edward Daggett is hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security in the State of California, including but not limited to promissory notes, by means of any written or oral communication which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

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

Dated: October 3, 2007
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
ALAN S. WEINGER
Lead Corporations Counsel

State of California - Department of Corporations