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

TO: Derrick D. Stephens, aka Derek Stephens and Derrick Rowe  
Nicole Lundie  
Matt Cavanaugh  
Allen Moore  
Double Star Holdings, LLC  
Penthouse Garden Suite  
9454 Wilshire Blvd.  
Beverly Hills, CA 90212  
and  
468 N. Camden Drive, Suite 287H  
Beverly Hills, CA 90210

**DESIST AND REFRAIN ORDER**  
**(For violations of sections 25110, 25401, 25210, 29535, and 29536 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. Double Star Holdings, LLC (“Double Star”) is a Delaware limited liability company formed on February 27, 2006. It maintains business addresses at 9454 Wilshire Blvd., Beverly Hills, CA 90212 and 468 N. Camden Drive, Suite 287H, Beverly Hills, CA 90210. Double Star is in the business of generating profits by buying and selling real estate.

2. At all relevant times, Derrick D. Stephens, aka Derek Stephens and Derrick Rowe (“Stephens”), was an individual residing in California. At all relevant times, Stephens was the principal and control person of Double Star.

1           3.       Nicole Lundie (“Lundie”) is an individual with a business address in Beverly Hills,  
2 California. At all relevant times, Lundie offered and sold securities on behalf of Double Star.

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4           4.       Matt Cavanaugh (“Cavanaugh”) is an individual with a business address in Beverly  
5 Hills, California. At all relevant times, Cavanaugh offered and sold securities on behalf of Double  
6 Star.

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8           5.       Allen Moore (“Moore”) is an individual with a business address in Beverly Hills,  
9 California. At all relevant times, Moore offered and sold securities on behalf of Double Star.

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11          6.       In October 2005, Stephens, acting as a salesperson for an unrelated company, solicited  
12 at least one individual to purchase securities in that company, in the form of options. Stephens  
13 offered securities by means of general solicitation in the form of telephone “cold calls” to the  
14 individual.

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16          7.       In January 2006, the investor described in paragraph (6) above purchased \$25,000.00  
17 of securities through Stephens. After Stephens liquidated that investment for the investor, Stephens  
18 solicited the investor to re-invest the \$25,000.00 in a currency trading program with Alliance  
19 Currency and Trading Group International (“ACTGI”), an entity of unknown form. The investor did  
20 re-invest and Stephens used the investor’s funds to trade foreign currency through ACTGI.

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22          8.       The currency trading by Stephens, through ACTGI, was a commodity within the  
23 meaning of Section 29504 of the California Commodity Law of 1990 (“Commodity Law”). Stephens  
24 traded the investor’s funds under a commodities contract within the meaning of Section 29505 of the  
25 Commodity Law.

26  
27          9.       Stephens told the investor that the balance in the investor’s trading account with  
28 ACTGI went from \$25,000.00 to \$48,000.00 as the result of the currency trading activity. However,

1 Stephens only returned \$45,000.00 of the investor's funds and failed to return \$3,000.00 to the  
2 investor.

3  
4 10. Stephens is not licensed by the Commodity Futures Trading Commission ("CFTC") as  
5 a commodity merchant. Stephens is not exempt from the licensure requirements of the Commodity  
6 Law of 1990 or the CFTC.

7  
8 11. In March 2006, Stephens, now acting as the Chairman and CEO of Double Star,  
9 offered and sold securities in the form of interests in a limited liability company, evidenced by a  
10 "Joint Venture Agreement." The written agreement provided that the investor would receive 10%  
11 interest in Double Star and 3% of the company's net profits after the first year of operations. It  
12 specifically provided that the investor would be a "silent partner" and would have no power over the  
13 daily operation and functioning of the joint venture.

14  
15 12. Beginning in at least 2006, Moore, Cavanaugh, and Lundie offered and sold securities  
16 in the form of an investment contract to investors, including at least one investor residing in  
17 California, by telephone solicitations. The investment contracts were evidenced by a "Disclosure  
18 Agreement and Private Financial Promissory Agreement." Stephens and Double Star also offered  
19 and sold these investment contracts. The "Disclosure Agreement and Private Financial Promissory  
20 Agreement" provided that the investment would be fully secured by real property and promised  
21 investors profits of 20-30% within 45-60 days.

22  
23 13. Double Star, Stephens, Moore, Cavanaugh, and Lundie failed to pay investors the  
24 agreed upon profit within 45-60 days.

25  
26 14. The securities, in the form of interests in a limited liability company and investment  
27 contracts, were offered or sold in this state in issuer transactions. The Department of Corporations  
28 has not issued a permit or other form of qualification authorizing any person to offer and sell these

1 securities in this state. The securities are not exempt from the requirement of qualification provided  
2 by Section 25110 of the Corporate Securities Law of 1968.

3  
4 15. In soliciting investors to purchase securities and enter into the commodity contract,  
5 Stephens, Double Star, Moore, Cavanaugh, and Lundie willfully omitted to disclose that in 1989,  
6 Stephens was barred by the National Association of Securities Dealers, Inc. (“NASD”) from  
7 associating with any NASD member firm.

8  
9 16. In soliciting investors to purchase securities in the form of an investment contract,  
10 Stephens, Double Star, Moore, Cavanaugh, and Lundie misrepresented that the investors would be  
11 paid a profit of 20-30% within 45-60 days. In fact, the investors did not receive a profit within 45-60  
12 days.

13  
14 17. Beginning in at least 2007, Cavanaugh and Double Star, acting on behalf of Cortez  
15 Energy Partners LLC, offered securities in the form of an investment contract to at least one investor  
16 residing in California. Cavanaugh and Double Star made this offer by sending emails describing an  
17 “oil and gas project” and sending a Confidential Offering Memorandum purportedly published by  
18 Cortez Energy Partners LLC. According to the Confidential Offering Memorandum, the investment  
19 was in a natural gas development and exploitation project in southwestern Colorado.

20  
21 18. In offering securities in the form of an investment contract described in the  
22 Confidential Offering Memorandum, Cavanaugh and Double Star acted as broker-dealers within the  
23 meaning of Corporation Code section 25004. Neither Cavanaugh nor Double Star has obtained from  
24 the California Corporations Commissioner a certificate to act as a broker-dealer. Neither Cavanaugh  
25 nor Double Star is exempt from the certificate requirement.

26  
27 Based upon the foregoing findings, the California Corporations Commissioner is of the opinion  
28 that Derrick D. Stephens, aka Derek Stephens and Derrick Rowe, engaged in a trade or business or

1 otherwise acted as a commodity merchant without being registered, licensed, or exempt, in violation of  
2 Section 29535 of the California Commodity Law of 1990 (Cal. Corp. Code § 29500 et seq.). Pursuant  
3 to Section 29542 of the California Commodity Law of 1990, Derrick D. Stephens, aka Derek Stephens  
4 and Derrick Rowe, is hereby ordered to desist and refrain from purchasing or selling, offering to sell or  
5 to purchase, offering to enter into, or entering into, a commodity, commodity contract, or commodity  
6 option in the State of California, including but not limited to trading foreign currency, unless  
7 registered or licensed as a commodity merchant with the Commodity Futures Trading Commission,  
8 unless exempt.

9  
10 Further, the California Corporations Commissioner is of the opinion that Derrick D. Stephens,  
11 aka Derek Stephens and Derrick Rowe, willfully omitted to state a material fact necessary in order to  
12 make the statements made, in the light of the circumstances under which they were made, not  
13 misleading in violation of Section 29536 of the California Commodity Law of 1990. Pursuant to  
14 Section 29542 of the California Commodity Law of 1990, Derrick D. Stephens, aka Derek Stephens  
15 and Derrick Rowe, is hereby ordered to desist and refrain from purchasing or selling, offering to sell or  
16 to purchase, offering to enter into, or entering into, a commodity, commodity contract, or commodity  
17 option in the State of California, including but not limited to trading foreign currency, by making any  
18 untrue statement of material fact, or omitting to state a material fact necessary in order to make the  
19 statements made, in the light of the circumstances under which they were made, not misleading.

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21 Further, the California Corporations Commissioner is of the opinion that the investments that  
22 are being or have been offered or sold by Derrick D. Stephens, aka Derek Stephens and Derrick Rowe,  
23 Nicole Lundie, Matt Cavanaugh, Allen Moore, and Double Star Holdings, LLC are securities subject  
24 to qualification under the California Corporate Securities Law of 1968 and are being or have been  
25 offered or sold without being qualified in violation of Corporations Code section 25110. Pursuant to  
26 section 25532 of the Corporate Securities Law of 1968, Derrick D. Stephens, aka Derek Stephens and  
27 Derrick Rowe, Nicole Lundie, Matt Cavanaugh, Allen Moore, and Double Star Holdings, LLC are  
28 hereby ordered to desist and refrain from the further offer or sale in the State of California of

1 securities, including but not limited to interests in a limited liability company and investment  
2 contracts, unless and until qualification has been made under the law or unless exempt.

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4 Further, the California Corporations Commissioner is of the opinion that the securities offered  
5 and sold by Derrick D. Stephens, aka Derek Stephens and Derrick Rowe, Nicole Lundie, Matt  
6 Cavanaugh, Allen Moore, and Double Star Holdings, LLC were offered or sold in this state by means  
7 of written or oral communications which included an untrue statement of a material fact or omitted to  
8 state a material fact necessary in order to make the statements made, in the light of the circumstances  
9 under which they were made, not misleading, in violation of section 25401 of the Corporate Securities  
10 Law of 1968. Pursuant to section 25532 of the Corporate Securities Law of 1968, Derrick D.  
11 Stephens, aka Derek Stephens and Derrick Rowe, Nicole Lundie, Matt Cavanaugh, Allen Moore, and  
12 Double Star Holdings, LLC are hereby ordered to desist and refrain from offering or selling any  
13 security in the State of California, including but not limited to interests in a limited liability company  
14 and investment contracts, by means of any written or oral communication which includes an untrue  
15 statement of material fact or omits to state a material fact necessary in order to make the statements  
16 made, in light of the circumstances under which they were made, not misleading.

17  
18 Further, the California Corporations Commissioner is of the opinion that Matt Cavanaugh and  
19 Double Star Holdings, LLC have effected transactions in securities as broker-dealers without having  
20 first applied for and secured from the Commissioner a certificate authorizing them to act in that  
21 capacity, in violation of section 25210 of the Corporate Securities Law of 1968. Pursuant to section  
22 25532 of the Corporate Securities Law of 1968, Matt Cavanaugh and Double Star Holdings, LLC are  
23 hereby ordered to desist and refrain from effecting any transaction in, or inducing or attempting to  
24 induce the purchase or sale of, any security in this state unless and until they have applied for and  
25 secured from the Commissioner a certificate, then in effect, authorizing them to act in that capacity, or  
26 unless exempt.

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This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Commodity Law of 1990 and the Corporate Securities Law of 1968.

Dated: September 11, 2008  
Los Angeles, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

By: \_\_\_\_\_  
ALAN S. WEINGER  
Acting Deputy Commissioner  
Enforcement Division