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

TO: Robert T. Reese (aka Bob Reese)
IFA Holding, Inc.
Cypress Financial NW, Inc. (aka Cypress Financial, Inc.)

316 Mid Valley Center, #159
Carmel, California 93923

9920 Holt Road
Carmel, CA 93923

AMENDED DESIST AND REFRAIN ORDER
(For violations of section 25110, 25210, 25230 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Robert T. Reese, also known as Bob Reese, was President of IFA Holding, Inc., an active Washington State Corporation.
2. At all relevant times, Robert T. Reese, also known as Bob Reese, was General Manager of Cypress Financial NW, Inc. (aka Cypress Financial, Inc.), an active Washington State Corporation.
3. Beginning in or about November 2001, Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., offered or sold securities in the State of California in the form of investment contracts representing interests in a “Secured Capital Enhancement Program”. Robert T. Reese, IFA Holding, Inc., later known as Cypress Financial NW, Inc., then pooled the investors’ monies and invested them with a company known as Dobb White & Co., a U.K. accounting firm, under the

1 management of Shinder Singh Gangar and Alan White. Robert T. Reese, IFA Holding, Inc., and
2 Cypress Financial, Inc. promised investors returns based on bond trading through Dobb White & Co.,
3 and investors were told that interest payments in the program would be 1.66 percent per month. The
4 purported purpose of the offering was to raise funds to engage in bond trading, with guaranteed
5 security of principal. The bond trading program was described to at least one investor in a document
6 written by Gary Lynn McDuff of Overseas Development Bank and Trust.

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8 4. Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., offered or sold
9 investment contracts representing interests in the “Secured Capital Enhancement Program” in the
10 amount of \$25,000 to one investor, and in the amount of \$20,000 to another investor.

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12 5. Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc. also offered or sold
13 securities in the form of investment contracts in an investment called The People’s Avenger Fund
14 Business Trust, which purportedly was a domestic investment wherein the monies would be used by
15 a bank to also engage in syndicated bond trading and which would also be insured.

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

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21 7. Neither Robert T. Reese, IFA Holding, Inc., nor Cypress Financial NW, Inc. had a valid
22 broker-dealer certificate issued by the Department of Corporations or the U.S. Securities and
23 Exchange Commission (SEC) at any time authorizing any of them to engage in broker-dealer activity.

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25 8. Beginning in or about November 2001, Robert T. Reese, IFA Holding, Inc. and Cypress
26 Financial NW, Inc. provided discretionary investment advice to one or more investors in connection
27 with the “Secured Capital Enhancement Program.”
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1 9. Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., received compensation
2 for the investment advisory services they provided to one or more investors.

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4 10. Neither Robert T. Reese, IFA Holding, Inc., nor Cypress Financial NW, Inc., had a valid
5 investment adviser certificate issued by the Department of Corporations or the U.S. Securities and
6 Exchange Commission (SEC) at any time authorizing any of them to engage in investment adviser
7 activities.

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9 11. In connection with these offers and sales, Robert T. Reese, IFA Holding, Inc., and Cypress
10 Financial NW, Inc., misrepresented or failed to disclose to investors that:

11 a. Robert T. Reese was an “Independent Financial Advisor” when he held no license
12 authorizing him to act as an investment adviser;

13 b. The “Secured Capital Enhancement Program” investment was extremely conservative, and
14 involved bond trading with the security of the principal guaranteed by Lloyds of London when the
15 insurance policy contained exclusions, including but not limited to exclusions to coverage for any
16 business activities performed which have not been authorized by law;

17 c. That Robert T. Reese knew Gary Lynn McDuff personally and that Gary Lynn McDuff
18 was an experience banker who was trustworthy, when Robert T. Reese knew there were issues with
19 Gary Lynn McDuff;

20 d. That the Financial Services Authority (“FSA”) in the United Kingdom was taking court
21 proceedings against Dobb White & Co. for allegedly taking deposits of at least \$15.7 million without
22 authorization and in contravention of the Banking Act of 1997 and that the FSA in November, 1998,
23 obtained an order freezing the assets of Dobb White & Co. and the personal assets of Mr. Shinder
24 Singh Gangar and Mr. Alan White;

25 e. That Robert T. Reese and Cypress Financial, Inc. had invested other investors’ monies in a
26 prior investment program with a Mr. Anthony Marino, who was the principal of a company known as
27 Mousa Enterprises, Inc. which also deposited funds with Dobb White & Co. which was also sued in
28 relation to that investment by investors for a return of their money;

1 f. The principal in the Secured Capital Enhancement Program could be withdrawn at any
2 time with a 30-day written notice. In fact, at least one investor requested, in writing, the return of his
3 investment, but Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc. failed to return
4 the funds.

5 g. The representations Robert T. Reese, IFA Holding, Inc., later known as, Cypress Financial
6 NW, Inc. made to investors regarding the legitimacy and safety of the investment in the Secured
7 Capital Enhancement Program were based on representations that came from Mr. Shinder Singh
8 Gangar, and Mr. Alan White, and Robert T. Reese, IFA Holding, Inc., later known as, Cypress
9 Financial NW, Inc. failed to do any independent due diligence concerning these representations.
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11 Based upon the foregoing findings, the California Corporations Commissioner is of the
12 opinion that the investment contracts representing an interest in the Secured Capital Enhancement
13 Program are securities subject to qualification under the California Corporate Securities Law of 1968
14 and are being or have been offered or sold without being qualified in violation of Corporations Code
15 section 25110. Pursuant to section 25532 of the Corporate Securities Law of 1968, Robert T. Reese,
16 IFA Holding, Inc., and Cypress Financial NW, Inc., are hereby ordered to desist and refrain from the
17 further offer or sale in the State of California of securities, including but not limited to investment
18 contracts, unless and until qualification has been made under the law.
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20 In addition, based upon the foregoing, the California Corporations Commissioner is of the
21 opinion that Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., have effected
22 transactions in securities as broker-dealers without having first applied for and secured from the
23 Commissioner a certificate authorizing these persons to act in that capacity, in violation of section
24 25210 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the Corporate
25 Securities Law of 1968, Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., are
26 hereby ordered to desist and refrain from effecting any transaction in, or inducing or attempting to
27 induce the purchase or sale of, any security in this state, unless and until they have applied for and
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1 secured from the Commissioner a certificate, then in effect, authorizing these persons to act in that
2 capacity.

3 Also, based upon the foregoing findings, the California Corporations Commissioner is of the
4 opinion that Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., have conducted
5 business as investment advisers in this state without first applying for and securing from the
6 commissioner a certificate authorizing them to do so, in violation of section 25230 of the Corporate
7 Securities Law of 1968. Pursuant to section 25532 of the Corporate Securities Law of 1968, Robert
8 T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., are hereby ordered to desist and refrain
9 from acting as investment advisers in the State of California unless and until they have first applied
10 for and secured from the Commissioner a certificate, then in effect, authorizing them to act as
11 investment advisers.

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13 Further, the California Corporations Commissioner is of the opinion that the securities
14 representing interests in a "Secured Capital Enhancement Program" through Dobb White & Co. were
15 offered or sold in this state by means of written or oral communications which included an untrue
16 statement of a material fact or omitted to state a material fact necessary in order to make the
17 statements made, in the light of the circumstances under which they were made, not misleading, in
18 violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the
19 Corporate Securities Law of 1968, Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW,
20 Inc., are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any
21 security in the State of California, including but not limited to investment contracts, by means of any
22 written or oral communication which includes an untrue statement of a material fact or omits to state
23 a material fact necessary in order to make the statements made, in the light of the circumstances
24 under which they were made, not misleading.

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

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6 Dated: August 6, 2008
7 Sacramento, California

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PRESTON DuFAUCHARD
California Corporations Commissioner

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By _____
ALAN S. WEINGER
Acting Deputy Commissioner
Enforcement Division

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