

1 STATE OF CALIFORNIA
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY
3 DEPARTMENT OF CORPORATIONS

4 **TO:** Ronald Battistella also known as Ron Battistella
5 AutoSource Financial, Inc.
6 Auto Source Financial
7 3396 Stevens Creek Blvd.
8 San Jose, California 95117

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

11 The California Corporations Commissioner finds that:

12 1. Ronald Battistella also known as Ron Battistella (“Battistella”) is an individual, who
13 resides in California. During all relevant times Battistella was the owner of Auto First Financial,
14 Inc. and Thrifty Car Sales. Auto First Financial, Inc. is a California corporation. Battistella stated
15 that Auto First Financial, Inc. is a division of the Dollar Thrifty Auto Group, a National Auto
16 Group. Auto First Financial, Inc. was also referred to as Auto First Financial, AutoFirst Financial
17 and AutoFirst.

18 2. Auto First Financial, Inc. advertised in newspapers of general circulation, on billboards
19 and on its website, www.autofirstfinancial.com. Auto First Financial, Inc. offered investors a rate
20 of return of ten percent, annual percentage rate (“10% APY”) and invites them to call its toll free
21 number, 1 (866) 971-3311. Auto First Financial, Inc. also advertised that the investment is fully
22 secured and 100% guaranteed.

23 3. Auto First Financial, Inc. in presentations to investors described its business as follows:

24 AutoFirst Financial specializes in automotive flooring for the
25 auto dealer industry. Floor planning is a type of asset based
26 lending with the vehicle and title serving as primary collateral.
27 This form of secured lending is not apparent to the average
28 individual, but can provide investment returns of 10%
annually. The financial crisis has forced banks to tightened
(sic) lending requirements and lessen their floor plan lending,
creating needs and opportunities for private capital. No where
is your money safer!

1 4. Auto First Financial, Inc. represented that it will “give you titles to cars that are pulled
2 from our rental fleet and move them to our sales group. These titles are of equal value to the
3 investment you make with AutoFirst Financial.”

4 5. Auto First Financial, Inc. also offered investors incentives for referring other investors.

5 6. Auto First Financial, Inc.’s offer and sale of investment contracts and notes constituted
6 securities. These securities were required to be but were not qualified under the Corporate
7 Securities Law.

8 7. Battistella and Auto First Financial, Inc. did not inform investors that it is a suspended
9 corporation and not in good legal standing with the California Office of the Secretary of State.

10 8. Auto First Financial, Inc. did not inform investors that it was not conducting business as a
11 car dealership in conformity with the California Vehicle Code and other laws.

12 9. On December 10, 2010, the California Corporations Commissioner was of the opinion that
13 the activities of Auto First Financial, Inc. involve offers or sales of securities in California that are
14 subject to qualification under the Corporate Securities Law, without such offers or sales first being
15 qualified or exempt, in violation of Corporations Code section 25110.

16 10. The California Corporations Commissioner was also of the opinion that such offers and
17 sales of securities in this state were made by means of written or oral communications which included
18 an untrue statement of a material fact or omitted 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, in
20 violation of Corporations Code section 25401.

21 11. Accordingly, pursuant to section 25532 of the Corporations Code, the California
22 Corporations Commissioner ordered Auto First Financial, Inc. and Ron Battistella to:

23 (1) Desist and refrain from the further offer or sale of securities including, but not
24 limited to, investment contracts and notes, unless and until the offers and sales have
25 been duly qualified under the Corporate Securities Law or unless exempt; and,

26 (2) Desist and refrain from offering or selling or buying or offering to buy any
27 security in the State of California by means of any written or oral communication
28 which includes an untrue statement of a material fact or omits to state a material fact
under which they were made, not misleading.

1 12. On December 23, 2010, Auto First Financial, Inc. and Ron Battistella were served with
2 the Desist and Refrain Order. Neither Auto First Financial, Inc. nor Ron Battistella ever requested a
3 hearing concerning the Desist and Refrain Order. The Desist and Refrain Order is final.

4 13. However, on January 27, 2011, Ronald Battistella filed articles of incorporation for his
5 new California corporation, AutoSource Financial, Inc., which is located at 3396 Stevens Creek
6 Blvd., San Jose, CA 95117. Ronald Battistella is the president of AutoSource Financial, Inc.
7 According to the California State Board of Equalization's records AutoSource Financial, Inc. is the
8 owner of Stevens Creek AutoMall, a new car dealer, also located at 3396 Stevens Creek Blvd., San
9 Jose, California 95117.

10 14. Battistella's new corporation, AutoSource Financial, Inc. also known as "Auto Source
11 Financial" also advertises in newspapers of general circulation. Battistella's Auto Source
12 Financial, Inc. also known as Auto Source Financial similarly offers investors a rate of return of
13 ten percent, annual percentage rate ("10% APY") for a "Limited Time Only!" AutoSource
14 Financial, Inc. also known as Auto Source Financial advertises that the investment is "100%
15 guaranteed and not real estate." AutoSource Financial, Inc. also known as Auto Source Financial
16 invites the general public to call its toll free telephone number, 1 (866) 971-3311, which is the
17 same toll free number previously used by Auto First Financial, Inc. used in its advertisements.

18 Based upon the foregoing findings, the California Corporations Commissioner is of the
19 opinion that the activities of AutoSource Financial, Inc. and Auto Source Financial involve offers or
20 sales of securities in California that are subject to qualification under the Corporate Securities Law,
21 without such offers or sales first being qualified or exempt, in violation of Corporations Code section
22 25110.

23 The California Corporations Commissioner is also of the opinion that such offers and sales of
24 securities in this state were made by means of written or oral communications which included an
25 untrue statement of a material fact or omitted to state a material fact necessary in order to make the
26 statements made, in the light of the circumstances under which they were made, not misleading, in
27 violation of Corporations Code section 25401.

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1 Pursuant to section 25532 of the Corporations Code, AutoSource Financial, Inc., Auto
2 Source Financial and Ronald Battistella are hereby ordered to:

- 3 1. Desist and refrain from the further offer or sale of securities including, but not
4 limited to, investment contracts and notes, unless and until the offers and sales have
5 been duly qualified under the Corporate Securities Law or unless exempt;
- 6 2. Desist and refrain from offering or selling or buying or offering to buy any
7 security in the State of California by means of any written or oral communication
8 which includes an untrue statement of a material fact or omits to state a material fact
9 necessary in order to make the statements made, in the light of the circumstances
10 under which they were made, not misleading.

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

13 Dated: August 31, 2011
14 Los Angeles, California

15 PRESTON DuFAUCHARD
16 California Corporations Commissioner

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18 By _____
19 ALAN S. WEINGER
20 Deputy Commissioner
21 Enforcement Division
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