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

TO: Alfred John Schlette, President
MyAbby Investment Trading Group, Inc.
dba MyAbby Trading Group Inc.
1534 Las Trampas Road
Alamo, California 94507

DESIST AND REFRAIN ORDER

(For violations of sections 25110, 25401 and 25230 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Alfred John Schlette is the owner and president of MyAbby Investment Trading Group, Inc., a Wyoming corporation also doing business as MyAbby Trading Group Inc. MyAbby Investment Trading Group, Inc. was first incorporated on February, 17 2009 and its corporate status became “inactive” on April 12, 2010 according to records of the Wyoming Secretary of State. Its registered business address and principal place of business is 1534 Las Trampas Road, Alamo, California 94507.
2. Beginning in or about 2009, Alfred John Schlette (Schlette) and MyAbby Investment Trading Group, Inc. dba MyAbby Trading Group Inc. (MyAbby Trading Group Inc.) offered and sold promissory notes entitled “Corporate (Open-Ended) Loan Promissory Note” to investors. The promissory notes were sold with representations by Schlette that he was a successful and experienced day trader of securities in the stock market and the investors’ money would be pooled with other investors’ money and used by Schlette to day trade stocks and bonds on the stock market. The promissory notes indicated that the “Stock Market conditions will dictate annual return” but Schlette told investors a 15% return on their investment could be expected based on his past day trading experience. The promissory notes indicated the term of the “loans” were for one year but Schlette told investors that the money could be withdrawn by investors at any time with no more than a weeks notice. Schlette represented to investors that all investor money would be withdrawn from the stock

1 market at the end of every trading day by Schlette, thus preventing losses and allowing quick return
2 of investor assets if requested. Schlette represented to investors that he would be compensated by
3 taking half of the profits generated by the day trading of the pooled investor money.

4 3. Monthly and quarterly reports were sent to investors by Schlette and MyAbby Trading
5 Group Inc. showing profitable day trading activity and the amount of principal and interest in each
6 investors account. The statement always showed positive returns on investments in line with the 15%
7 return on investment promised by Schlette. Some investors who were related to Schlette received
8 monthly payments from the pooled investors' funds for their support and living expenses. However,
9 when other investors asked for their investment and interest back as promised their money was not
10 returned. Some eventually received checks from Schlette and MyAbby Trading Group, Inc. which
11 were returned by the bank for insufficient funds. Several investors sued Schlette and MyAbby
12 Trading Group, Inc. in Contra Costa Superior Court, case number 10-03559 and obtained a judgment
13 for more than \$1,000,000 against Schlette and MyAbby Trading Group Inc., which has not been paid.
14 Schlette later represented to investors that investor money was put into "hard money loans" to third
15 parties that were not then collectable, although he provided no documentation of any such loans even
16 after he had been ordered to do so by the court in the civil action.

17 4. The promissory notes offered and sold by Schlette and MyAbby Trading Group Inc.
18 including those entitled "Corporate (Open-Ended) Loan Promissory Notes" constitutes securities. The
19 Department of Corporations has not issued a permit or other form of qualification authorizing any
20 person to offer and sell these securities in this state.

21 5. Beginning in 2009, Schlette and MyAbby Trading Group Inc. solicited and accepted funds
22 from investors in California and provided investment advice and services to the investors as to the
23 buying and selling of securities which included pooling investor funds to "day trade" stocks on the
24 investor's behalf for compensation. Schlette and MyAbby Trading Group Inc. do not have an
25 investment adviser certificate issued by the California Department of Corporations or the Securities and
26 Exchange Commission.

27 6. Beginning in or about 2009, Schlette and MyAbby Trading Group Inc., also offered and
28 sold securities by means of written and oral communications which included untrue statements of

1 material fact and which omitted to state material facts necessary in order to make the statements
2 made, in the light of the circumstances under which they were made, not misleading. The omissions
3 and misstatements of material facts include: 1) the failure to inform the investors that Schlette had
4 previously been the sole shareholder and operator of a company called Captain Blythers, Inc. that
5 operated a restaurant in Benicia beginning in November of 1997 and which filed for bankruptcy in
6 June of 1998; 2) the false claim that investor money would only be used to invest in stocks and bonds
7 and that all investor money would be withdrawn from the stock market at the end of each day when
8 in fact it was used for other purposes such as making loans to third parties; 3) the failure to disclose
9 that investor money would be used for personal expenses by Schlette and his family who used it to
10 live a luxurious lifestyle; 4) the false claim that investors could receive their entire investment back
11 with one weeks notice, when in fact they would never receive their investment back; and 5) the false
12 claims made in monthly statements to investors that they had been earning a profit on their
13 investment to induce them to make further investments and purchase additional securities when in
14 fact the prior investments were lost, used for Schlette's personal expenses, or used to pay supposed
15 "profits" to other investors to create the illusion of profits.

16 Based upon the foregoing findings, the California Corporations Commissioner is of the
17 opinion that Alfred John Schlette and MyAbby Investment Trading Group, Inc. dba MyAbby Trading
18 Group Inc. offered and sold securities in the form of promissory notes and that those securities have
19 not been qualified under the California Corporate Securities Law of 1968, in violation of section
20 25110 of the Corporations Code. Pursuant to section 25532 of the Corporate Securities Law of 1968,
21 Alfred John Schlette and MyAbby Investment Trading Group, Inc. dba MyAbby Trading Group Inc.
22 are hereby ordered to desist and refrain from the further offer or sale of securities in the State of
23 California, including but not limited to promissory notes entitled "Corporate (Open-Ended) Loan
24 Promissory Note" unless and until qualification of those securities have been made under the law or
25 unless exempt.

26 Based upon the foregoing findings, the California Corporations Commissioner is of the
27 opinion that Alfred John Schlette and MyAbby Investment Trading Group, Inc. dba MyAbby Trading
28 Group Inc. offered and sold securities in the form of promissory notes by means of written and oral

1 communications including untrue statements of material facts and omissions of material facts
2 necessary to make the statements not misleading, in violation of section 25401 of the Corporations
3 Code. Pursuant to section 25532 of the Corporate Securities Law of 1968, Alfred John Schlette and
4 MyAbby Investment Trading Group, Inc. dba MyAbby Trading Group Inc. are hereby ordered to
5 desist and refrain from offering or selling or buying or offering to buy any security in the State of
6 California, including but not limited to promissory notes entitled "Corporate (Open-Ended) Loan
7 Promissory Note" by means of any written or oral communication which includes an untrue statement
8 of a material fact or omits to state a material fact necessary in order to make the statements made, in
9 the light of the circumstances under which they were made, not misleading.

10 Further, based on the foregoing the California Corporations Commissioner is of the opinion
11 that Alfred John Schlette and MyAbby Investment Trading Group, Inc. dba MyAbby Trading Group
12 Inc. have conducted business as an investment adviser in this state without first applying for and
13 securing from the Commissioner a certificate authorizing him to do so, in violation of section 25230 of
14 the Corporations Code. Pursuant to section 25532 of the Corporate Securities Law of 1968, Alfred
15 John Schlette and MyAbby Investment Trading Group, Inc. dba MyAbby Trading Group Inc. are
16 hereby ordered to desist and refrain from acting as an investment adviser in the State of California unless
17 and until they have first applied for and secured from the Commissioner a certificate authorizing them to
18 act as an investment adviser or unless exempt.

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

21 Dated: August 2, 2011
22 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

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24 By _____
25 ALAN S. WEINGER
26 Deputy Commissioner
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