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

TO: THE FINANCIAL CORPORATION,
aka THE FINANCIAL CORP.
T.F.C. INVESTMENTS, LLC
CHRISTOPHER W. SCHLEGEL
ADRIAN J. KATKE
KONRAD BRAUN
30021 Tomas, Suite 110
Rancho Santa Margarita, CA 92688, and

217 16th Place, Unit B
Costa Mesa, CA 92627

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

The California Corporations Commissioner finds that:

1. At all relevant times, The Financial Corporation, aka The Financial Corp. (collectively, Financial Corp) is, or was, a California corporation with its principal office located at 30021 Tomas, Suite 110, Rancho Santa Margarita, California 92688. Financial Corp allegedly specializes in real estate and private investment transactions. Financial Corp is not a licensed broker-dealer.
2. At all relevant times, T.F.C. Investments, LLC (TFC) is, or was, a California limited liability company with its principal office located at 217 16th Place, Unit B, Costa Mesa, California 92627 and/or 30021 Tomas, Suite 110, Rancho Santa Margarita, California 92688. TFC allegedly specializes in private investment transactions. TFC is not a licensed broker-dealer.

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1 3. At all relevant times, Christopher W. Schlegel (Schlegel) is, or was, Founder,
2 President, and CEO of Financial Corp and TFC. Adrian J. Katke (Katke) is, or was, an officer,
3 director, partner, agent, consultant, representative, employee and/or servant of Financial Corp and/or
4 TFC. Konrad Braun (Braun) is, or was, an officer, director, partner, agent, consultant, representative,
5 employee and/or servant of Financial Corp and/or TFC. Schlegel, Katke and Braun are not licensed
6 broker-dealers.

7 4. Beginning in or about January 2009, and continuing thereafter, Financial Corp, TFC,
8 Schlegel, Katke and Braun offered or sold securities in the form of notes, warrants, common stock
9 and preferred stock of various companies they represented were going public by virtue of an
10 imminent initial public offerings. Through means of cold calling and emailing offering materials to
11 individuals contacted through cold calls, Financial Corp, TFC, Schlegel, Katke and Braun offered or
12 sold securities in the form of notes, warrants, common stock and preferred stock to at least one
13 California investor and three investors from other states.

14 5. Financial Corp, TFC, Schlegel, Katke and Braun offered or sold the securities in the
15 form of common stock in Remediation Earth, Inc. (REI); preferred stock in Card of America
16 Holdings, Inc. (COA); and notes and warrants in Oasis Online Technologies, Corp. (Oasis).

17 6. In or about July 2009, Katke, acting on behalf of TFC and/or Financial Corp, emailed
18 offering materials, including a Subscription Agreement for REI to a potential investor Katke
19 contacted through cold calling. In that email, Katke stated that “The Remediation Earth IPO is going
20 quickly...Just imagine how much money our patented technology is going to be worth in North
21 America when we go public!” Katke further stated that “REI passed our intense due-diligence
22 process and strict underwriting criteria.” REI’s Subscription Agreement stated that “We are offering
23 a minimum of 100,000...and Maximum of 10,000,000...Units at \$1.00 per Unit. Each Unit consists
24 of one share of our common stock.”

25 7. In or about September 2009, Braun, acting on behalf of TFC and/or Financial Corp,
26 emailed offering materials, including a Subscription Agreement for COA to a potential investor
27 Braun contacted through cold calling. In that email, Braun stated that “The COA IPO is DONE...If
28 the COA IPO does not occur within the specified time, you get 2x times your money back. This is a

1 HUGE opportunity to get in on a 'Red Hot' IPO which is about to trade on the NASDAQ open
2 market." COA's Subscription Agreement offered "Up to 1,666,667 Shares of Series 'A' Preferred
3 Stock--\$0.60 share value of COA Holdings, Inc." The Subscription Agreement further stated that the
4 minimum investment amount is \$50,000 or any amount acceptable to the company.

5 8. In or about March 2010, Schlegel, acting on behalf of TFC and/or Financial Corp,
6 emailed offering materials for Oasis to a potential investor Schlegel contacted through cold calling.
7 Attached to the email was a "Piggyback Registration Rights Agreement," a document entitled "Oasis
8 Online Technologies Corp 12.0% Convertible Note Due February 15, 2011," and a document entitled
9 "Warrant to Purchase Common Stock of Oasis Online Technologies Corp." In that email, Schlegel
10 stated that "This is a HUGE opportunity to get in on a 'Red Hot' Online Medical Record Investment
11 which is about to trade on the NASDAQ open market...[Oasis] has the investments secured by a
12 guaranteed 12% Note so your risk is eliminated...In addition, for every four shares purchased you
13 will get one \$.20 warrant which will be tradable anytime in the next three years...."

14 9. The purpose of the offerings varied and was purportedly to raise capital for the various
15 entities with some of the funds being used to pay for costs associated with the IPO process. The
16 potential investors contacted through cold calls and email did not have a preexisting relationship with
17 Financial Corp, TFC, Schlegel, Katke or Braun. Further, the potential investors were not accredited
18 investors under Rule 501 of Regulation D nor did they possess sufficient knowledge and experience
19 in financial investments to evaluate the merits and risks of the investments.

20 10. These securities were offered or sold in this state in issuer transactions. The
21 Department of Corporations has not issued a permit or other form of qualification authorizing any
22 person to offer and sell these securities in this state. Further, the Department of Corporations has not
23 issued a broker-dealer license to Financial Corp, TFC, Schlegel, Katke and/or Braun. Neither has it
24 authorized Financial Corp, TFC, Schlegel, Katke and/or Braun to act as a registered agent for any
25 broker-dealer.

26 Based upon the foregoing findings, the California Corporations Commissioner is of the
27 opinion that the securities in the form of notes, warrants, common stock and preferred stock that
28 Financial Corp, TFC, Schlegel, Katke and Braun are offering for sale or selling, are securities subject

1 to qualification under the California Corporate Securities Law of 1968 and are being or have been
2 offered or sold without being qualified in violation of Corporations Code section 25110.

3 Further, the Commissioner is of the opinion that Financial Corp, TFC, Schlegel, Katke and
4 Braun have effected transactions in securities as broker-dealers in this state without having first applied
5 for and secured from the Commissioner a certificate, then in effect, authorizing these persons to act in that
6 capacity, and not exempt from the certification requirements in violation of Corporations Code section
7 25210.

8 Pursuant to section 25532 of the Corporate Securities Law of 1968, The Financial
9 Corporation, aka The Financial Corp., T.F.C. Investments, LLC, Christopher W. Schlegel, Adrian J.
10 Katke and Konrad Braun are hereby ordered to:

11 1. Desist and refrain from the further offer or sale of securities in the State of California,
12 including but not limited to, notes, warrants, common stock and preferred stock, unless and until
13 qualification has been made under the law or unless exempt; and,

14 2. Desist and refrain from effecting any transaction in, or inducing or attempting to induce,
15 the purchase or sale of any security in the State of California, unless and until they have applied for and
16 secured from the Commissioner a broker-dealer certificate, then in effect, authorizing them to act in that
17 capacity or unless exempt.

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

20 Dated: March 29, 2012
21 Los Angeles, California

JAN LYNN OWEN
California Corporations Commissioner

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23 By _____
24 ALAN S. WEINGER
25 Deputy Commissioner
26 Enforcement Division
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