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4 DEPARTMENT OF BUSINESS OVERSIGHT  
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9 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
11 OF THE STATE OF CALIFORNIA

12 In the Matter of )  
13 )  
14 THE COMMISSIONER OF THE )  
DEPARTMENT OF BUSINESS OVERSIGHT )  
15 OF THE STATE OF CALIFORNIA, )

16 Complainant, )

17 v. )

18 Pentultimate Associates, LLC, )  
19 )  
20 Family Values Financial Services, )  
aka Family Values Investments, )  
21 )

22 and )

23 David J. Ribeiro, )  
aka Dave Matthews, )  
24 aka J. D. Matthews, )  
25 )

26 Respondents. )

) FINAL ORDER LEVYING  
) ADMINISTRATIVE PENALTIES  
) PURSUANT TO CORPORATIONS CODE  
) SECTION 25252  
) AND ANCILLARY RELIEF PURSUANT TO  
) CORPORATIONS CODE SECTION 25254

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1 TO: David J. Ribeiro  
2 Pentultimate Associates, LLC  
3 Family Values Financial Services  
4 9630 Bruceville Road, Suite 106  
5 Elk Grove, California 95757

6 1. On August 28, 2013 the Department of Business Oversight for the State of California  
7 brought an action to issue an order levying administrative penalties pursuant to Corporations Code  
8 section 25252 and ancillary relief pursuant to Corporations Code section 25254 on Respondents,  
9 Pentultimate Associates, LLC, Family Values Financial Services aka Family Values Investments,  
10 and David J. Ribeiro aka Dave Matthews aka J. D. Matthews.

11 2. At all relevant times herein, Pentultimate Associates, LLC (“Pentultimate”) was doing  
12 business at 9630 Bruceville Road, Suite 106-111, Elk Grove, California 95757.

13 3. At all relevant times herein, Family Values Financial Services, also known as Family Values  
14 Investments, (“Family”) was doing business at 8250 Calvine Road, Suite C-347, Sacramento,  
15 California 95828.

16 4. At all relevant times, David J. Ribeiro, also known as “Dave Matthews” or “J. D.  
17 Matthews”, (“Ribeiro”), was the principal of both Pentultimate and Family.

18 5. Ribeiro, Family and Pentultimate are herein collectively referred to as “Respondents”.

19 6. Whenever reference is made in this Statement in Support to “Respondents” doing any act,  
20 the allegation shall mean the act of each respondent acting individually, jointly and severally.

21 7. Beginning on or about November 19, 2009, Respondents, by way of issuer transactions,  
22 offered and sold to investors M.S., R.C., S.C., E.D., and G.D. (“Investors”), who were each  
23 California residents, securities in the form of interests in Respondents’ “Principal Protection  
24 Program” (“Program”). The offerings were made via Craigslist postings online, phone calls and  
25 emails from the email address: FVFS.Dave.Matthews@gmail.com.

26 8. The Investors entered into Principal Protection Program Enrollment Agreements with  
27 Respondents (“Agreements”). The Agreements stated that by entering the Program with a six  
28 thousand dollar (\$6,000) investment (which included a one-time “enrollment and initiation fee”),  
Investors would receive “earnings” payments of one thousand dollars (\$1,000) per month.

1 Respondents represented in the Agreements that after the six month term of their Agreements  
2 ended, each Investor’s account would retain a balance of six thousand dollars (\$6,000). This  
3 balance would be returned to the Investors if they chose not to continue in the Program.

4 9. Investors R.C. and S.C. together entered the Program with an investment of six thousand  
5 dollars (\$6,000) on or about November 19, 2009, and then made an additional investment of one  
6 thousand dollars (\$1,000) in the Program on or about May 17, 2010. Investor M.S. entered the  
7 Program with an investment of six thousand dollars (\$6,000) on or about June 2, 2010. Investors  
8 E.D. and G.D. together entered the Program with an investment of six thousand dollars (\$6,000) in  
9 or about August 3, 2010.

10 10. The interests in the “Principal Protection Program” offered and sold by Respondents are  
11 securities subject to qualification under the Corporations Code. Respondents did not have a  
12 qualification permit for these securities, nor did they claim an exemption for the securities with the  
13 Commissioner.

14 11. Corporations Code section 25110 prohibits the offer and/or sale of non-exempt securities in  
15 this state.

16 12. In connection with the offer and sale of these securities, Respondents, made, or caused to be  
17 made, misrepresentations of material facts, or omitted to state material facts necessary in order to  
18 make the statements made, in the light of the circumstances under which they were made, not  
19 misleading. These misrepresentations and omissions were the following:

20 a) Respondents omitted to inform Investors that the Commissioner issued a desist and  
21 refrain order against Pentultimate Associates, LLC dba Pentultimate Associates Financial Services,  
22 Gold Ribbon Financial Services, and the principal of both entities, David J. Ribeiro, on September  
23 2, 2009 (“2009 Order”). The 2009 Order prohibited Respondents from offering or selling securities  
24 in the State of California unless and until qualification had been made under this law or unless  
25 exempt.

26 b) Respondents agreed to return all of Investors’ initial investment at the end of the  
27 term of their Agreements, or at their request if Respondents did not fulfill their obligations under  
28 the agreement. However, Respondents did not return the Investors’ money as promised.

1 13. Corporations Code section 25401 prohibits the offer and/or sale of securities in this state by  
2 means of written or oral communications that include untrue statements of material facts, or omits  
3 material facts necessary in order to make the statements made, in the light of the circumstances  
4 under which they were made, not misleading.

5 14. On September 2, 2009, the Commissioner issued the 2009 Order against Respondents  
6 Ribeiro and Pentultimate as a result of the offer of unqualified, nonexempt securities in the form of  
7 foreign currency investments via a “Credit Union Co-Op Account”, with a return of up to two-  
8 hundred and seventy six percent (276%) per year, in violation of Corporations Code section 25110.

9 15. The 2009 Order prohibits Ribeiro and Pentultimate from further offering or selling  
10 securities in the State of California unless and until qualification has been made under this law or  
11 unless exempt.

12 16. The 2009 Order was personally served on Ribeiro on September 16, 2009.

13 17. Respondents violated the 2009 Order in the following ways:

14 a) Beginning on or around November 19, 2009 (less than two months after the 2009  
15 Order was served on Respondent Ribeiro), Respondents offered and sold securities to the Investors.  
16 Respondents did not have a qualification permit for these securities, nor did they claim an  
17 exemption for the securities with the Commissioner.

18 b) Following the issuance and service of the 2009 Order, Respondents failed to disclose  
19 to Investors that the State of California had found that they violated the California securities laws  
20 and had ordered them not to offer or sell securities to California residents.

21 18. On October 10, 2013, the Commissioner served Respondents with copies of the following  
22 documents: (1) Notice of Intention to enter Order Levying Administrative Penalties Pursuant to  
23 Corporations Code Section 25252 And Claim for Ancillary Relief Pursuant to Corporations Section  
24 25254; (2) Statement in Support of Order and Desist and Refrain Order; (3) Statement to  
25 Respondents; (4) Notice of Defense; and (5) Government Code sections 11507.5, 11507.6 and  
26 11507.7.

27 19. After appropriate notice and opportunity to be heard, Respondents have not requested a  
28 hearing on this matter.

1 20. California Corporations Code section 25252 authorizes the Commissioner to issue an order  
2 levying administrative penalties against any person for willful violations of any provision of the  
3 Corporations Code and any rules promulgated thereunder.

4 21. Based on the foregoing findings of fact, Respondents willfully violated the following  
5 provisions:

6 a) Corporations Code section 25110 by offering and selling securities that are not  
7 qualified by the Department or exempt;

8 b) Corporations Code section 25401 by making untrue statements in association with  
9 the offer and/or sale of securities;

10 c) The 2009 Order issued by the Commissioner as a result of the offer and sale of  
11 securities that are not qualified by the Department or exempt.

12 22. WHEREFORE, good cause showing, and pursuant to Corporations Code section 25252, the  
13 Commissioner enters this final order levying administrative penalties in the amount of eighteen  
14 thousand dollars (\$18,000), against Respondents, jointly and severally due and payable 60 days  
15 from the date of this Order. Payment should be made to the order of the Commissioner of Business  
16 Oversight and mailed to The Department of Business Oversight, ATTN: Joanne Ross - ENF, 1515  
17 K Street, Suite 200, Sacramento, California 95814.

18 23. Corporations Code section 25254 authorizes the Commissioner to seek ancillary relief on  
19 behalf of any person injured by violations of any provision of the Corporations Code and any rules  
20 promulgated thereunder.

21 24. Based on the foregoing findings of fact, Respondents sold by means of fraud, unqualified,  
22 nonexempt securities in an amount of nineteen thousand dollars (\$19,000) to California investors in  
23 violation of Corporations Code sections 25110, 25401, and the 2009 Order.

24 25. WHEREFORE, good cause showing and pursuant to Corporations Code section 25254 the  
25 Commissioner enters this final order levying restitution in the amount of \$19,000.00 against  
26 Respondents, jointly and severally, due and payable 60 days from the date of this Order.

27 The Commissioner finds that each of the above enumerated matters provide an independent basis  
28 under California Corporations Code section 25252 and 25254, justifying the issuance of an Order

1 levying administrative penalties in the amount of \$18,000 and ordering restitution in the amount of  
2 \$19,000 to the five California investors as follows: seven thousand dollars (\$7,000) to investors  
3 R.C. and S.C.; six thousand dollars (\$6,000) to investor M.S.; and six thousand dollars (\$6,000) to  
4 investors E.D. and G.D., due and payable 60 days from the date of this Order. Based upon the  
5 foregoing, the Commissioner finds it is in the public interest to enter this final Order.

6 NOW THEREFORE, GOOD CAUSE SHOWING, IT IS HEREBY ORDERED that  
7 Pentultimate Associates, LLC, Family Values Financial Services aka Family Values Investments,  
8 and David J. Ribeiro aka Dave Matthews aka J. D. Matthew, jointly and severally, pay  
9 administrative penalties in the amount of \$18,000.00 and restitution in the amount \$19,000.00 due  
10 and payable 60 days from the date of this Order.

11 This order is effective immediately.

12 Dated: January 7, 2014

13 JAN LYNN OWEN  
14 Commissioner of Business Oversight

15  
16 By: \_\_\_\_\_  
17 MARY ANN SMITH  
18 Deputy Commissioner  
19 Enforcement Division  
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