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7
8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

10	In the Matter of	)	CASE NO.
11	THE COMMISSIONER OF BUSINESS	)	STATEMENT IN SUPPORT OF
12	OVERSIGHT OF THE STATE OF	)	1) ORDER LEVYING ADMINISTRATIVE
13	CALIFORNIA,	)	PENALTIES PURSUANT TO
14	Complainant,	)	CORPORATIONS CODE
15	v.	)	SECTION 25252;
16	TAK CONSULTING LLC, ROLAND	)	2) CLAIM FOR ANCILLARY RELIEF
17	WILLIAMS, and KATHY HARRIS,	)	PURSUANT TO CORPORATIONS
	Respondents.	)	CODE SECTION 25254; AND
		)	3) DESIST AND REFRAIN ORDER

18 Jan Lynn Owen, the Commissioner of Business Oversight of the State of California
19 (“Commissioner”), alleges and charges as follows:

20 **I.**

21 **STATEMENT OF FACTS**

22 1. Complainant, the Commissioner of Business Oversight (“Complainant”), is the
23 head of the Department of Business Oversight (“Department”). The Department is the state
24 agency responsible for investigating and prosecuting violations of state securities laws. Pursuant
25 to Financial Code section 321, on July 1, 2013, the Department of Business Oversight succeeded
26 the Department of Corporations.

27 2. Respondent TAK Consulting LLC (“TAK Consulting”) is a limited liability

1 company organized under the law of California on March 20, 2009. Its principal place of business
2 was formerly 1555 Mesa Verde Drive East, Suite 40K, Costa Mesa, CA 92626. Its current
3 principal place of business is 380 W. Wilson Street, C101, Costa Mesa, CA 92627.

4 3. Respondent Roland Williams (“Williams”) is the president of TAK Consulting and
5 has the same business address as TAK Consulting.

6 4. Respondent Kathy Harris (“Harris”) is the CEO of TAK Consulting and has the
7 same business address as TAK Consulting. Harris is also known as Kathy Williams, her name by
8 marriage.

9 **VIOLATION OF CORPORATIONS CODE SECTION 25130**

10 **(UNQUALIFIED OFFER AND SALE OF SECURITIES)**

11 5. Beginning in 2012 or earlier, TAK Consulting, acting through its agents, offered
12 and sold securities in the form of stock traded “over the counter” under the symbol SLOU to one
13 or more persons.

14 6. TAK Consulting offered and sold these securities by means of general solicitation,
15 including but not limited to cold-calling.

16 7. The stock sold by TAK Consulting is a “security” subject to qualification under the
17 Corporate Securities Law of 1968 (Corp. Code § 25000 et seq.).

18 8. Corporations Code section 25130 prohibits the offer and sale of unqualified, non-
19 exempt securities in any nonissuer transaction in this state.

20 9. The stock offered and sold by TAK Consulting was not qualified or exempt.

21 10. After the investor wired his money to TAK Consulting for the purchase of these
22 securities, TAK Consulting failed to give the investor his stock.

23 **VIOLATION OF CORPORATIONS CODE SECTION 25210**

24 **(UNLICENSED BROKER-DEALER)**

25 11. Corporations Code section 25210 provides that no broker-dealer shall effect any
26 transaction in, or induce or attempt to induce the sale of, securities in this state unless the broker-
27

1 dealer has secured from the Commissioner a certificate authorizing the person to act as a broker-
2 dealer.

3 12. Beginning in 2012 or earlier, TAK Consulting, acting through its agents, induced
4 the sale of securities, in the form of SLOU stock, in this state to at least one person.

5 13. The Commissioner has never issued a certificate to TAK Consulting, Williams, or
6 Harris to act as a broker-dealer.

7 14. Respondents Williams and Harris were control persons of TAK Consulting when
8 TAK Consulting performed each of the acts alleged herein.

9 **II.**

10 **ORDER LEVYING ADMINISTRATIVE PENALTIES**

11 **(For violations of Corporations Code sections 25130 and 25210)**

12 15. Complainant re-alleges and reincorporates by reference paragraphs 1-14 of this
13 Statement in Support as though fully set forth herein.

14 16. Corporations Code section 25252, subdivision (a) authorizes the Commissioner to
15 issue an order levying administrative penalties against any person, other than a broker-dealer or
16 investment adviser, for willful violations of any provision of the Corporate Securities Law of 1968
17 (“CSL”) and any rules promulgated thereunder. Specifically, Corporations Code section 25252
18 provides, in relevant part:

19 The commissioner may, after appropriate notice and opportunity for hearing, by
20 orders, levy administrative penalties as follows:

21 (a) Any person subject to this division, other than a broker-dealer or investment
22 adviser, who willfully violates any provision of this division, or who willfully
23 violates any rule or order adopted or issued pursuant to this division, is liable for
24 administrative penalties of not more than one thousand dollars (\$1,000) for the first
25 violation, and not more than two thousand five hundred dollars (\$2,500) for each
26 subsequent violation.

27 17. Corporations Code section 25252, subdivision (b) authorizes the Commissioner to
28 issue an order levying administrative penalties against any broker-dealer or investment adviser for
willful violations of the CSL. Specifically, it provides, in pertinent part:

1 Any broker-dealer or investment adviser that willfully violates any provision of this
2 division to which it is subject...is liable for administrative penalties of not more
3 than five thousand dollars (\$5,000) for the first violation, not more than ten
4 thousand dollars (\$10,000) for the second violation, and not more than fifteen
thousand dollars (\$15,000) for each subsequent violation.

5 (Corp. Code § 25252(b).)

6 18. Based on the foregoing findings of fact, as set forth fully above in paragraphs 1-14,
7 Respondents TAK Consulting, Williams, and Harris willfully violated the following provisions:

8 a) Corporations Code section 25130 by offering and selling securities that are not
9 qualified by the Department or exempt to at least one investor or according to proof.

10 b) Corporations Code section 25210 by inducing the sale of securities, without first
11 obtaining a certificate from the Commissioner authorizing them to act as a broker-dealer, to at
12 least one investor or according to proof.

13 **WHEREFORE**, good cause showing, and pursuant to Corporations Code section 25252,
14 the Commissioner prays for an order levying administrative penalties of \$6,000 or according to
15 proof against Respondents TAK Consulting LLC, Roland Williams, and Kathy Harris, jointly and
16 severally.

17 **III.**

18 **CLAIM FOR ANCILLARY RELIEF**

19 **(For violations of Corporations Code sections 25130 and 25210)**

20 19. Complainant re-alleges and reincorporates by reference paragraphs 1-14 of this
21 Statement in Support as though fully set forth herein.

22 20. Corporations Code section 25254 authorizes the Commissioner to seek ancillary
23 relief on behalf of any person injured by violations of any provision of the CSL and any rules
24 promulgated thereunder. Corporations Code section 25254 states:

25 (a) If the commissioner determines it is in the public interest, the commissioner
26 may include in any administrative action brought under this part a claim for
27 ancillary relief, including, but not limited to, a claim for restitution or disgorgement
or damages on behalf of the persons injured by the act or practice constituting the

1 subject matter of the action, and the administrative law judge shall have jurisdiction
2 to award additional relief.

3 (b) In an administrative action brought under this part, the commissioner is entitled
4 to recover costs, which in the discretion of the administrative law judge may
5 include an amount representing reasonable attorney's fees and investigative
6 expenses for the services rendered, for deposit into the State Corporations Fund for
7 the use of the Department of Corporations.

8 21. Based on the foregoing findings of fact, as set forth fully above in paragraphs 1-14,
9 Respondents sold unqualified securities in an amount of at least \$25,000.00 to at least one investor
10 in violation of Corporations Code sections 25130 and 25210.

11 **WHEREFORE**, good cause showing and the Commissioner having determined that this
12 action is in the public interest and necessary to effectuate the Department's regulatory purpose
13 based upon the Respondents' violations of the CSL, the Commissioner hereby prays for an order
14 of ancillary relief pursuant to Corporation Code section 25254 against Respondents TAK
15 Consulting LLC, Roland Williams, and Kathy Harris, jointly and severally, as follows:

16 A) Full restitution, consisting of the investors' investment principal in an amount of at
17 least \$25,000.00 and the legal rate of interest accumulated on the investment principal or
18 according to proof;

19 B) Recovery of attorney's fees, investigative expenses, and costs in an amount of at
20 least \$3,000.00, or according to proof.

21 **IV.**

22 **DESIST AND REFRAIN ORDER**

23 22. Complainant re-alleges and reincorporates by reference paragraphs 1-14 of this
24 Statement in Support as though fully set forth herein.

25 23. Corporations Code section 25532, in pertinent part, states:

26 (a) If, in the opinion of the commissioner, (1) the sale of a security is subject to
27 qualification under this law and it is being or has been offered or sold without first
28 being qualified, the commissioner may order the issuer or offeror of the security to
desist and refrain from the further offer or sale of the security until qualification has
been made under this law

(b) If, in the opinion of the commissioner, a person has been or is acting as a broker-dealer or investment adviser, or has been or is engaging in broker-dealer or investment adviser activities, in violation of Section 25210, 25230, or 25230.1, the commissioner may order that person to desist and refrain from the activity until the person has been appropriately licensed or the required filing has been made under this law.

24. Based on the foregoing findings of fact, as set forth fully above in paragraphs 1-14, the Commissioner is of the opinion that the stock offered and sold by Respondents are securities subject to qualification under the Corporate Securities Law of 1968 and are being or have been offered and sold in a nonissuer transaction without being qualified, in violation of Corporations Code section 25130.

25. Further, the Commissioner is of the opinion that Respondents have acted as a broker-dealer or have engaged in broker-dealer activities without being appropriately licensed, in violation of Corporations Code section 25210.

IT IS HEREBY ORDERED EFFECTIVE IMMEDIATELY THAT:

A) Pursuant to Section 25532 of the CSL, TAK Consulting LLC, Roland Williams, and Kathy Harris desist and refrain from the further offer or sale in the State of California of securities, including but not limited to stock, unless and until qualification has been made under this law or unless exempt.

B) Pursuant to Section 25532 of the CSL, TAK Consulting LLC, Roland Williams, and Kathy Harris desist and refrain from acting as a broker-dealer and engaging in broker-dealer activities, unless and until they have been appropriately licensed or unless exempt.

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

Dated: January 27, 2014

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
MARY ANN SMITH
Deputy Commissioner