

1 MARY ANN SMITH  
Deputy Commissioner  
2 SEAN M. ROONEY  
Assistant Chief Counsel  
3 JOHNNY VUONG (State Bar No. 249570)  
Senior Counsel  
4 SOPHIA C. KIM (State Bar No. 265649)  
Counsel  
5 DEPARTMENT OF BUSINESS OVERSIGHT  
320 West 4<sup>th</sup> Street, Suite 750  
6 Los Angeles, California 90013  
Telephone: (213) 576-7594  
7 Facsimile: (213) 576-7181

[Exempt from filing fees pursuant to  
Government Code section 6103]

RECEIVED

FEB 29 2016

SAN BERNARDINO COUNTY  
SUPERIOR COURT

8 Attorneys for the People of the State of California

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA

10 FOR THE COUNTY OF SAN BERNARDINO

11 THE PEOPLE OF THE STATE OF ) CASE NO. CIVDS1512999  
12 CALIFORNIA, by and through the Commissioner )  
of Business Oversight, ) STIPULATION TO ENTRY OF  
13 ) FINAL JUDGMENT OF PERMANENT  
Plaintiff, ) INJUNCTION; RESTITUTION; AND  
14 v. ) CIVIL PENALTIES BETWEEN PLAINTIFF  
AND DEFENDANTS RENAISSANCE  
15 ) MANAGEMENT, LLC; SECURED  
PAUL R. MATA, an individual; RENAISSANCE ) CAPITAL INVESTMENTS, LLC; LOGOS  
16 MANAGEMENT, LLC, a Nevada limited liability ) REAL ESTATE HOLDINGS, LLC; LOGOS  
company; SECURED CAPITAL INVESTMENTS, ) LIFETIME ENTERPRISES, LLC; LOGOS  
17 LLC, a Nevada limited liability company; LOGOS ) MANAGEMENT GROUP, LLC; LOGOS  
REAL ESTATE HOLDINGS, LLC, a California ) WEALTH ADVISORS, INC.; AND RELIEF  
18 limited liability company; LOGOS LIFETIME ) DEFENDANT WORLD GARDENS CAFÉ,  
19 ENTERPRISES, LLC, a California limited liability ) LLC  
company; LOGOS MANAGEMENT GROUP, )  
20 LLC, a California limited liability company; ) ASSIGNED FOR ALL PURPOSES TO:  
LOGOS WEALTH ADVISORS, INC., a California ) The Honorable David S. Cohn  
21 corporation, and DOES 1 through 50, inclusive, )  
22 Defendants, )  
23 And ) Dept: S26  
)  
24 DAVID FRANCIS KAYATTA, an individual; )  
MARIO PINCHEIRA, an individual; and WORLD )  
25 GARDENS CAFÉ, LLC, a California limited )  
26 liability company. )  
Relief Defendants. )

1 IT IS HEREBY STIPULATED AND AGREED by and between Plaintiff, the People of the  
2 State of California, by and through the Commissioner of Business Oversight (“Commissioner” or  
3 “Plaintiff”), on the one hand, and Permanent Receiver Robert P. Mosier (“Receiver”) on behalf of  
4 Defendant Renaissance Management, LLC; Defendant Secured Capital Investments, LLC; Defendant  
5 Logos Real Estate Holdings, LLC; Defendant Logos Lifetime Enterprises, LLC; Defendant Logos  
6 Management Group, LLC; Defendant Logos Wealth Advisors, Inc.; and Relief Defendant World  
7 Gardens Café, LLC (collectively, “Entity Defendants”), on the other hand, with reference to the  
8 following recitals:

9 RECITALS

10 A. WHEREAS, on September 9, 2015, the Commissioner filed a civil enforcement action  
11 in Superior Court of the State of California, San Bernardino County, on behalf of the People of the  
12 State of California against Entity Defendants, Paul R. Mata, Relief Defendant David Francis Kayatta,  
13 and Relief Defendant Mario Pincheira (collectively, “Defendants”) to enjoin the Defendants from  
14 violating the Corporate Securities Law of 1968, Corporations Code sections 25000 *et seq.* (“CSL”) and to request Injunctive Relief, Ancillary Relief, and Civil Penalties.

15 B. WHEREAS, on October 8, 2015, the Receiver was appointed pursuant to the  
16 Preliminary Injunction entered on October 8, 2015 in the matter of *Securities and Exchange*  
17 *Commission v. Paul Mata, et al., Case No. ED CV 15-01792 VAP* (“SEC Preliminary Injunction”).  
18 The SEC Preliminary Injunction immediately authorized, empowered, and directed the Receiver to,  
19 among other things, take control of the property and assets of Entity Defendants with full power to  
20 sue, foreclose, marshal, collect, and receive all such property of the Entity Defendants; and to make  
21 such payments and disbursements from the funds and assets taken into custody, control, and  
22 possession or thereafter received by him, and to incur, or authorize the making of, such agreements as  
23 may be necessary and advisable in discharging his duties as Receiver.

24 C. WHEREAS, on or around December 8, 2015, Plaintiff, Receiver, and Defendants  
25 entered into a Joint Stipulation and Consent to Entry of Order Issuing Preliminary Injunction (“Joint  
26 Stipulation to Preliminary Injunction”).

27 D. WHEREAS, on December 15, 2015, this Court issued the Order Issuing Preliminary  
28

1 Injunction enjoining Defendants from violations of the CSL, and enjoining all Defendants and their  
2 officers, directors, successors in interest, controlling persons, agents, employees, attorneys in fact,  
3 and all other persons acting in concert or participating with them, or any of them from transferring,  
4 changing, disbursing, selling, dissipating, converting, conveying, pledging, assigning, encumbering,  
5 or foreclosing or otherwise disposing of any real or personal property or other assets in their  
6 possession or under their control, or in the possession of, or under the control of, any of the  
7 Defendants, which property or other assets were derived or emanated from directly, or indirectly, the  
8 sale and issuance of securities as alleged in the Complaint, without leave of the Court. Nothing in the  
9 foregoing was intended to have, or shall have, the impact of impeding in any way the duties of the  
10 Receiver, including, but not limited to, the Receiver’s ability to seize the books and records of the  
11 businesses and to liquidate the assets of those businesses.

12 E. WHEREAS, it is the intention of the Entity Defendants, the Receiver, and Plaintiff to  
13 resolve this matter without trial, hearing or further litigation.

14 NOW THEREFORE, in consideration of the foregoing, and the terms and conditions set forth  
15 herein, the parties to this agreement hereby agree and stipulate as follows:

16 TERMS AND CONDITIONS

17 1. This Stipulation to Entry of Final Judgment of Permanent Injunction; Restitution; and  
18 Civil Penalties Between Plaintiff and Defendants Renaissance Management, LLC; Secured Capital  
19 Investments, LLC; Logos Real Estate Holdings, LLC; Logos Lifetime Enterprises, LLC; Logos  
20 Management Group, LLC; Logos Wealth Advisors, Inc.; and Relief Defendant World Gardens Café,  
21 LLC (“Stipulation”) is entered into for the purpose of judicial economy and expediency, and to avoid  
22 the expense of a trial, and possible further court proceedings as between the parties hereto.

23 2. Entity Defendants admit jurisdiction of this Court over them and over the subject  
24 matter of this action and also enter a general appearance in this action. Entity Defendants  
25 acknowledge that entry of a general appearance is equivalent to personal service of the Summons on  
26 them pursuant to Code of Civil Procedure section 410.50.

27 3. Entity Defendants agree to the terms of this Stipulation and entry of the Final  
28 Judgment of Permanent Injunction; Restitution; and Civil Penalties Against Defendants Renaissance

1 Management, LLC; Secured Capital Investments, LLC; Logos Real Estate Holdings, LLC; Logos  
2 Lifetime Enterprises, LLC; Logos Management Group, LLC; Logos Wealth Advisors, Inc.; and  
3 Relief Defendant World Gardens Café, LLC (“Final Judgment”). Attached here as **Exhibit A** is the  
4 proposed Final Judgment against Entity Defendants.

5 4. Entity Defendants admit that they have received service of the Summons and  
6 Complaint filed in this matter and admit to each of the allegations contained in the Complaint.

7 5. Entity Defendants voluntarily consent to the entry by this Court of the Final Judgment,  
8 and waive any defense to the Complaint.

9 6. Entity Defendants voluntarily waive entry of Findings of Fact and Conclusions of Law  
10 under Code of Civil Procedure section 632 and all rights to appeal the entry of the Final Judgment.

11 7. Entity Defendants, Plaintiff, and Receiver hereby waive any claims known and  
12 unknown to them against each other, their agents, officers, or employees that are based on the facts  
13 underlying the present action, specifically waiving any rights provided by Civil Code section 1542.  
14 Civil Code section 1542 provides: “A general release does not extend to claims which the creditor  
15 does not know or suspect to exist in his or her favor at the time of executing the release, which if  
16 known by him or her must have materially affected his or her settlement with the debtor.”

17 8. Entity Defendants hereby agree to the issuance by the Court of a permanent  
18 injunction, under Corporations Code section 25530, whereby Entity Defendants are permanently  
19 enjoined from directly or indirectly engaging in, committing, aiding and abetting, substantially  
20 assisting by means of substantially assisting others or as a control person or performing, by any  
21 means whatsoever, any of the following acts:

22 a. Violating Corporations Code section 25230 by directly or indirectly acting as  
23 investment advisers without a certificate from the Commissioner authorizing them to engage in the  
24 business of an investment adviser;

25 b. Violating Corporations Code section 25235 by directly or indirectly engaging  
26 in any act, practice, or course of business which was fraudulent, deceptive, or manipulative while  
27 engaging in the business of an investment adviser; and

28 c. Violating Corporations Code section 25401 by directly or indirectly offering to

1 sell or selling any security of any kind, including but not limited to, the securities described in the  
2 Complaint, by means of any written or oral communication, which contains any untrue statements of  
3 any material fact or omits or fails to state any material fact necessary in order to make the statements  
4 made, in the light of the circumstances under which they are made, not misleading.

5 9. Entity Defendants agree to the Court's entry of a final judgment of restitution against  
6 them and in favor of Plaintiff in the total amount of \$14,000,000.00. The liability for restitution shall  
7 be joint and several as against the Entity Defendants, with interest thereon at the legal rate per annum  
8 until said amount is paid in full, which is due and payable on the date of entry of the Final Judgment  
9 subject to the terms and conditions in Paragraph 11 below. Notwithstanding anything herein to the  
10 contrary, Plaintiff shall not assert a claim against the receivership estate for restitution or any other  
11 amounts.

12 10. Entity Defendants agree to the Court's entry of a final judgment of civil penalties  
13 against them and in favor of Plaintiff in the total amount of \$6,275,000.00. The liability for civil  
14 penalties shall be joint and several as against the Entity Defendants, with interest thereon at the legal  
15 rate per annum until said amount is paid in full, which is due and payable on the date of entry of the  
16 Final Judgment subject to the terms and conditions in Paragraph 11 below. Notwithstanding anything  
17 herein to the contrary, Plaintiff shall not assert a claim against the receivership estate for civil  
18 penalties or any other amounts.

19 11. It is also agreed that with respect to the entry and satisfaction of the Final Judgment to  
20 be filed against Entity Defendants pursuant to this Stipulation the following terms and conditions  
21 apply:

22 a. Immediately upon execution of the Stipulation and continuing thereafter until  
23 the Court in the matter of *Securities and Exchange Commission v. Paul Mata, et al., Case No. ED CV*  
24 *15-01792 VAP*, issues an Order closing the receivership estate and discharging the Receiver, Entity  
25 Defendants shall forfeit and assign to the Receiver all right, title and interest in and to the assets,  
26 collateral, books, records, papers or other property in their custody, control, or possession, wherever  
27 situated. The full value of these assets as determined by the Receiver pursuant to the SEC  
28 Preliminary Injunction and subsequent Orders obtained by the Receiver in his administration of the

1 receivership estate shall apply to offset and satisfy the monetary portion of the Final Judgment owed  
2 by Entity Defendants.

3           b.       During the pendency of the receivership in which the Receiver shall administer  
4 all of the property of the Entity Defendants and make distributions of receivership assets to investors,  
5 the California Department of Business Oversight (“Department”) shall make no efforts to levy on or  
6 seize any income or assets of Entity Defendants to satisfy the monetary portion of the Final  
7 Judgment, and any efforts made by the Department to enforce the monetary portion of the Final  
8 Judgment against Entity Defendants shall be done after issuance of the Order closing the receivership  
9 estate and discharging the Receiver.

10           c.       After the issuance of the Order closing the receivership estate and discharging  
11 the Receiver, any efforts made by the Department to levy on or seize any income or assets of Entity  
12 Defendants shall be done pursuant to the usual rules and procedures for enforcing and collecting civil  
13 judgments and Entity Defendants may assert the usual claims and defenses available to judgment  
14 debtors.

15           d.       During the pendency of the receivership, any payments made to satisfy the  
16 monetary portion of the Final Judgment by Entity Defendants shall be made payable to the Receiver  
17 in the administration of the receivership estate and shall be used to satisfy the restitution amount of  
18 \$14,000,000.00 and the civil penalties in the amount of \$6,275,000.00, together with interest thereon  
19 at the legal rate per annum until said amounts are paid in full.

20           e.       After the issuance of the Order closing the receivership estate and discharging  
21 the Receiver, any payments made to satisfy the restitution in the amount of \$14,000,000 or the civil  
22 penalties in the amount of \$6,275,000.00, together with interest thereon at the legal rate per annum  
23 until said amount is paid in full, shall be paid to the Department.

24           12.       The Final Judgment may be entered by the Court at any time without further notice to  
25 Entity Defendants or a hearing.

26           13.       The parties hereby acknowledge and agree that this Stipulation is intended to  
27 constitute a full, final, and complete resolution of this matter as between the parties to this Stipulation  
28 for the claims made in the Complaint. The parties further acknowledge and agree that nothing

1 contained in this Stipulation shall operate to limit the Commissioner's ability to refer this matter or  
2 the Commissioner's or the Receiver's ability to assist any other agency (county, state, or federal) with  
3 any prosecution, administrative, civil or criminal, brought by any such agency against Entity  
4 Defendants based upon any of the activities alleged in the Complaint or in any way limits or  
5 discharges any claims, charges, or remedies that may be asserted by such agencies or third parties  
6 against Entity Defendants in the future for such activities.

7 14. Each of the parties represents, warrants, and agrees that it has received independent  
8 advice from its attorney(s) and/or representatives with respect to the advisability of executing this  
9 Stipulation.

10 15. Each of the parties represents, warrants, and agrees that in executing this Stipulation it  
11 has relied solely on the statements set forth herein and the advice of its own counsel and/or  
12 representative. Each of the parties further represents, warrants, and agrees that in executing this  
13 Stipulation it has placed no reliance on any statement, representation, or promise of any other party,  
14 or any other person or entity not expressly set forth herein, or upon the failure of any party or any  
15 other person or entity to make any statement, representation or disclosure of anything whatsoever.  
16 The parties have included this clause: (1) to preclude any claim that any party was in any way  
17 fraudulently induced to execute this Stipulation; and (2) to preclude the introduction of parole  
18 evidence to vary, interpret, supplement, or contradict the terms of this Stipulation.

19 16. This Stipulation is the final written expression and the complete and exclusive  
20 statement of all the agreements, conditions, promises, representations, and covenants between the  
21 parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous  
22 agreements, negotiations, representations, understandings, and discussions between and among the  
23 parties, their respective representatives, and any other person or entity, with respect to the subject  
24 matter covered hereby.

25 17. This Stipulation may be executed in one or more counterparts, each of which shall be  
26 an original but all of which, together, shall be deemed to constitute a single document.

27 18. Each signor hereto covenants that he/she possesses all necessary capacity and  
28 authority to sign and enter into this Stipulation.

1           19.     The parties stipulate and agree that this Court shall retain jurisdiction of this action in  
2 order to implement and enforce the terms of this Stipulation and entry of Final Judgment pursuant  
3 thereto, and to entertain any suitable application or motion for additional relief or modification or any  
4 order made herein within the jurisdiction of this Court.

5           20.     This Stipulation shall be governed by and construed in accordance with the laws of the  
6 State of California, without regard to its conflict of laws rules. Any dispute concerning this  
7 Stipulation shall be heard by the Court, and all parties waive any right to trial by jury with respect to  
8 any such action or matter concerning this Stipulation.

9           21.     Plaintiff and Receiver, on behalf of Entity Defendants, stipulate and agree that if any  
10 paragraph, clause, or provision of this Stipulation entered thereto, or the application thereof, is held  
11 invalid or unenforceable, such decision shall affect only the paragraph, clause or provision so  
12 construed or interpreted, and the invalidity shall not affect the provisions or the application of this  
13 Stipulation, or of the Final Judgment entered thereto, which can be given effect without the invalid  
14 provisions or application. To this end, the provisions of this Stipulation are declared by Plaintiff and  
15 by Entity Defendants to be severable.

16           22.     This Agreement may be executed by facsimile or scanned signature, and any such  
17 facsimile or scanned signature by any party hereto shall be deemed to be an original signature and  
18 shall be binding on such party to the same extent as if such facsimile or scanned signature were an  
19 original signature.

20 Dated: 2/26/16

JAN LYNN OWEN  
Commissioner of Business Oversight

21  
22 By \_\_\_\_\_  
23 MARY ANN SMITH  
24 Deputy Commissioner  
Enforcement Division

25 Dated: 2/25/16

RENAISSANCE MANAGEMENT, LLC.

26  
27 By \_\_\_\_\_  
28 ROBERT P. MOSIER,  
Permanent Receiver

1 Dated: 2/25/16

SECURED CAPITAL INVESTMENTS, LLC

2

By \_\_\_\_\_

3

ROBERT P. MOSIER,

Permanent Receiver

4

5 Dated: 2/25/16

LOGOS REAL ESTATE HOLDINGS, LLC

6

By \_\_\_\_\_

7

ROBERT P. MOSIER,

Permanent Receiver

8

9 Dated: 2/25/16

LOGOS LIFETIME ENTERPRISES, LLC

10

By \_\_\_\_\_

11

ROBERT P. MOSIER,

Permanent Receiver

12

13 Dated: 2/25/16

LOGOS MANAGEMENT GROUP, LLC

14

By \_\_\_\_\_

15

ROBERT P. MOSIER,

Permanent Receiver

16

17 Dated: 2/25/16

LOGOS WEALTH ADVISORS, INC.

18

By \_\_\_\_\_

19

ROBERT P. MOSIER,

Permanent Receiver

20

21 Dated: 2/25/16

WORLD GARDENS CAFÉ, LLC

22

By \_\_\_\_\_

23

ROBERT P. MOSIER,

Permanent Receiver

24

25 **APPROVED AS TO FORM AND CONTENT:**

26

\_\_\_\_\_

KATHY BAZOIAN PHELPS

27

Diamond McCarthy LLP

28

Counsel for Robert P. Mosier, Permanent Receiver