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8 Attorneys for the People of the State of California

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 FOR THE CITY AND COUNTY OF SAN FRANCISCO

11 THE PEOPLE OF THE STATE OF
12 CALIFORNIA, by and through the
13 COMMISSIONER OF CORPORATIONS,

14 Plaintiff,

15 vs.

16 MICHAEL P. GAMBOA; individually and
17 doing business as GAMBOA & COMPANY;
18 MPG, LLC; MARK H. POORE; RMB
19 OPERATIONS, LLC; PALETTE SIENNA
20 INTERNATIONAL FUND, LLC;
21 PALETTE GROUP, LLC; PALETTE II
22 GROUP, LLC; PALETTE III GROUP,
23 LLC; PALETTE IV GROUP, LLC;
24 PALETTE AQUA INVESTMENT FUND,
25 LLC; PALETTE COBALT INVESTMENT
26 FUND, LLC; THE CRIMSON FUND, LLC;
EPLAY, LLC; EPLAY INVESTMENTS
27 LLC; EPLAY INVESTMENTS 2 LLC;
28 POGA MANAGEMENT PARTNERS, LLC;
401K RETIREMENT SOLUTIONS, LLC;
MXM INVESTMENTS, LLC and DOES 1-
100

Defendants.

Case No.: CGC-09-492027

ORDER RE PERMANENT INJUNCTION AND
FOR ENTRY OF JUDGMENT AS TO
DEFENDANTS MICHAEL P. GAMBOA AND
MARK H. POORE

1 TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:
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3 In the above-entitled action, Defendants, Defendants Michael P. Gamboa, and Mark H. Poore
4 and Plaintiff, The People of the State of California by and through the California Corporations
5 Commissioner, having settled this action as between them, stipulate to the entry of this Order
6 Granting Permanent Injunction and For Entry of Judgment Against Defendants Michael P. Gamboa
7 and Mark H. Poore as follows.
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9 IT IS HEREBY ADJUDGED, ORDERED, AND DECREED:

10 1. That judgment is entered against Michael P. Gamboa and Mark H. Poore jointly and
11 severally for the payment of restitution in the total amount of FOUR MILLION, EIGHT HUNDRED
12 THOUSAND DOLLARS (\$4,800,000.00) payable to the California Department of Corporations.
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14 2. That judgment is entered against Michael P. Gamboa and Mark H. Poore for the payment of
15 civil penalties authorized under Corporations Code section 25535 in the amount of ONE
16 HUNDRED THOUSAND DOLLARS (\$100,000.00) each by Michael P. Gamboa and Mark H.
17 Poore, payable to the California Department of Corporations. The liability for the payment of the
18 judgment for civil penalties is not joint and the full \$100,000.00 is payable by Michael P. Gamboa
19 and Mark H. Poore each regardless of the amount of restitution or civil penalties paid by the other.
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21 3. That Michael P. Gamboa, Mark H. Poore, their agents, employees, attorneys in fact, and all
22 persons acting in concert or participating with them, directly or indirectly are hereby permanently
23 enjoined from:
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25 a. Violating California Corporations Code sections 25235 subdivision (d) and 25238 by
26 engaging in fraudulent, deceptive, manipulative or unethical practices as an investment adviser,
27 including but not limited to fraudulently obtaining client money by means of misstatement or
28 omission of material fact, diverting client funds for personal use including borrowing client funds,

1 failing to disclose to clients in writing conflicts of interest, failing to keep books and records and
2 have clients' accounts audited by an outside accountant on an annual basis, failing to maintain
3 minimum net worth requirements, and making false statements in advertising all within the meaning
4 of the California Code of Regulations, Title 10, sections 260.235, 260.235.2, 260.237 and 260.238;

5 b. Violating Corporations Code section 25110 by offering or selling securities, without those
6 securities being qualified pursuant to the Corporate Securities Law of 1968, or unless exempt;

7 c. Violating Corporations Code section 25401 by offering or selling any securities by means
8 of any written or oral communication which includes an untrue statement of a material fact or omits
9 to state a material fact necessary in order to make the statements made, in light of the circumstances
10 under which they were made, not misleading;

11 d. Violating California Corporations Code section 25404 by making knowingly false
12 statements to the Department of Corporations during the course of licensing and examination with
13 the intent to impede, obstruct or influence the administration or enforcement of the California
14 Corporations Code;

15 e. Violating Financial Code §22100 by engaging in the business of a finance lender or
16 broker in this state without first applying for and securing from the Commissioner of Corporations a
17 license authorizing Defendants to act in the capacity of a finance lender or broker unless exempted.

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19 IT IS SO ORDERED

20 Date: May 20, 2010

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22 By: John E. Munter
23 Judge of the Superior Court

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