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

TO: Alfredo Trujillo Fox
Xanadu Mexico International, Inc.
Xanadu Development, Inc.
9454 Wilshire Boulevard, Suite 600
Beverly Hills, CA 90212

and

9454 Wilshire Boulevard, Penthouse #28
Beverly Hills, CA 90212

Susan A. Herman
7740 Redlands Street, #G-3095
Playa Del Rey, CA 90293

DESIST AND REFRAIN ORDER

(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Alfredo Trujillo Fox (“Fox”) was the President, CEO and control person of Xanadu Mexico International, Inc. (“Xanadu Mexico International”) and Xanadu Development, Inc., corporations that developed projects ranging from real estate in downtown Los Angeles and Mazatlan, Mexico to the production and distribution of a human radiation shield.
2. At all relevant times, Krista L. Smith (“Krista Smith”) was the registered Agent for Service of Process for Xanadu Mexico International listed on the articles of incorporation filed with the CA Secretary of State on August 8, 2006. Krista Smith also served as secretary for Fox. In addition, she was an authorized signer on bank accounts registered to Xanadu Mexico International and Xanadu Development, Inc., and made deposits and withdrawals to said bank accounts.

1 3. Beginning in or about 2006, Fox solicited California investors regarding investment
2 opportunities with Xanadu Mexico International and Xanadu Mexico Development, Inc. Some of
3 these solicitations were made via third-party individuals including Susan A. Herman who was
4 affiliated with Fox or Xanadu Mexico International.

5 4. Beginning in or about December 2006, Fox offered and sold securities in the form of
6 promissory notes. Oral representations were made to the investors that their investments would be
7 used to purchase prime real estate in Mazatlan, conduct telecommunications business in Mexico or
8 develop condominiums and office space in downtown Los Angeles. The promissory notes ranged in
9 maturity dates from three weeks to six months, and rates of return were promised from 10% to 200%.

10 5. The promissory notes were offered or sold in this state without a permit or other form of
11 qualification authorizing the offer or sale of these securities in this state.

12 6. While soliciting investors for Xanadu Mexico International and Xanadu Development, Inc.,
13 Fox made untrue statements of material fact, or omitted to state material facts necessary in order to
14 make the statements made, in light of the circumstances under which they were made, not
15 misleading. These misrepresentations and omissions included, but are not limited to Fox claiming to
16 be the brother of former Mexico president Vicente Fox, claiming to have business dealings with
17 Donald Trump, Jeb Bush and Carlos Slim, promising to reimburse penalties incurred by investors
18 withdrawing monies from their certificates of deposits, failure to advise of personal defaults on loans,
19 failure to disclose that funds were used for personal expenses (including rent, automobile expenses
20 and deposited into other personal bank accounts), and telling investors that he had already received
21 \$5 million from Chinese investors to broker a deal for property in downtown Los Angeles and that
22 they had also agreed to invest \$8 million in his new telecommunications business.

23 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
24 that the promissory notes issued by Fox are securities subject to qualification under the California
25 Corporations Code and were offered or sold without being qualified or exempt, in violation of
26 Section 25110 of the California Corporations Code. Pursuant to Section 25532 of the California
27 Corporations Code, Alfredo Trujillo Fox, Xanadu Mexico International, Inc., Xanadu Development,
28 Inc. and Susan A. Herman are hereby ordered to desist and refrain from the further offer or sale of

1 securities in the State of California, including but not limited to promissory notes unless and until
2 qualification has been made under said law or unless exempt.

3 Further, the California Corporations Commissioner is of the opinion that these securities were
4 offered or sold by means of written or oral communications which included untrue statements of
5 material facts or omitted to state material facts necessary in order to make the statements made, in
6 light of the circumstances under which they were made, not misleading in violation of section 25401
7 of the California Corporations Code. Pursuant to section 25532 of the California Corporations Code,
8 Alfredo Trujillo Fox, Xanadu Mexico International, Inc. and Xanadu Development, Inc. are hereby
9 ordered to desist and refrain from offering or selling any security in the State of California, including
10 but not limited to promissory notes, by means of any written or oral communication which includes
11 an untrue statement of a material fact or omits to state a material fact necessary in order to make the
12 statements made, in light of the circumstances under which they were made, not misleading.

13 This Order is necessary to the public interest for the protection of investors, and consistent
14 with the purposes, policies, and provisions of the California Corporations Code.

15 Dated: January 7, 2010
16 Sacramento, California

17 PRESTON DUFAUCHARD
18 California Corporations Commissioner

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20
21 By _____
22 ALAN S. WEINGER
23 Deputy Commissioner
24 Enforcement Division
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