

1 opportunities and used these funds to make payments to the initial investors. Valencia also began to
2 generate fraudulent promissory notes and deeds of trust.

3 5. In connection with the offer and sale of these securities, Valencia and RE Equity
4 Group made, or caused to be made, misrepresentations of material fact or omitted to state material
5 facts necessary in order to make the statements made, in the light of the circumstances under which
6 they were made, not misleading. These misrepresentations and omissions included, but are not
7 limited to the following:

- 8 a. Investors were not told that Valencia failed to record the deeds of trust given to
9 investors as security for the promissory notes;
- 10 b. Investors were not told that Valencia was generating and distributing
11 fraudulent promissory notes and fraudulent deeds of trust; and
- 12 c. Investors were typically promised 10% return on their investments in real
13 estate transactions, real estate, and other investment opportunities, but, in fact,
14 the money that was paid out came from other investors' money.

15 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
16 that the securities in the form of promissory notes allegedly secured by deeds of trust offered and sold
17 by Valencia and RE Equity Group are securities subject to qualification under the California
18 Corporate Securities Law of 1968 and are being or have been offered or sold without being qualified,
19 in violation of Section 25110 of the Corporate Securities Law of 1968.

20 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Guadalupe Valencia,
21 a.k.a. Lupe Valencia and The Real Estate and Loan Consultants, a.k.a. RE Equity Group, LLC are
22 hereby ordered to desist and refrain from the further offer or sale in the State of California of
23 securities, including, but not limited to promissory notes unless and until qualification has been made
24 under said law or unless exempt. The sale of such securities is subject to qualification under said law
25 and such securities are being or have been offered for sale without first being so qualified.

26 Further, the California Corporations Commissioner is of the opinion that the securities offered
27 and sold by Valencia and RE Equity Group were offered and sold in this state by means of written or
28 oral communications that included untrue statements of material fact or omitted to state material facts

1 necessary in order to make the statements made, in the light of the circumstances under which they
2 were made, not misleading, in violation of section 25401 of the Corporate Securities Law of 1968.

3 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Guadalupe Valencia,
4 a.k.a. Lupe Valencia and The Real Estate and Loan Consultants, a.k.a. RE Equity Group, LLC are
5 hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security
6 in the State of California, including, but not limited to, promissory notes by means of any written or
7 oral communication which includes an untrue statement of a material fact or omits to state a material
8 fact necessary in order to make the statements made, in the light of the circumstances under which
9 they were made, not misleading.

10 This Order is necessary, in the public interest, for the protection of investors and consistent
11 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

12 Dated: October 11, 2010
13 Los Angeles, California

14 PRESTON DuFAUCHARD
15 California Corporations Commissioner

16 By _____
17 ALAN S. WEINGER
18 Deputy Commissioner
19 Enforcement Division
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