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2 IT IS HEREBY STIPULATED BY AND BETWEEN RESPONDENTS DAVID H.  
3 EUZARRAGA AND VOLKL INVESTMENTS, LLC (“RESPONDENTS”), AND THE  
4 CALIFORNIA CORPORATIONS COMMISSIONER (COMMISSIONER), AS FOLLOWS:

5 WHEREAS, on November 21, 2011, the COMMISSIONER issued a Desist and Refrain  
6 Order (“ORDER”) against RESPONDENTS for the misrepresentations and omissions of material  
7 facts in connection with the offer and sale of securities that were in the opinion of the  
8 COMMISSIONER in violation of Corporations Code section 25401. Attached hereto as **Exhibit A**  
9 and incorporated by reference is a true and correct copy of the ORDER dated November 21, 2011.

10 WHEREAS, Respondents without admitting or denying charges in the ORDER seek to  
11 resolve the concerns of the COMMISSIONER by entering into this Stipulation.

12 NOW, THEREFORE, the parties hereby stipulate and agree as follows:

13 1. RESPONDENTS hereby acknowledge that the COMMISSIONER is ready, willing  
14 and able to grant a hearing in relation to the ORDER, which RESPONDENTS have a right to.  
15 Respondents hereby voluntarily waive their right to a hearing in relation to the ORDER and agree to  
16 desist and refrain from misrepresenting and omitting material facts in connection with the offer and  
17 sale of securities in violation of Corporations Code section 25401;

18 2. RESPONDENTS acknowledge that pursuant to Corporations Code section 25255,  
19 remedies for violations of the California Corporate Securities Law of 1968 (Corporations Code  
20 section 25000, et seq.) are not exclusive and may be sought and employed in any combination to  
21 enforce that law. Therefore, it is further stipulated that this agreement does not preclude the  
22 COMMISSIONER from seeking additional remedies against Respondents for violating the ORDER  
23 or any law under the COMMISSIONER’S jurisdiction not related to this investigation. These  
24 remedies include, but are not limited to, administrative actions, civil injunctive and ancillary relief  
25 and making a criminal referral pursuant to California law;

26 3. RESPONDENTS acknowledge that nothing in this Stipulation shall preclude the  
27 COMMISSIONER, or his agents or employees, to the extent authorized by law, from assisting or  
28 cooperating in any investigation and/or action brought by any other federal, state or county agency.

1 RESPONDENTS further agree that this Stipulation shall not bind or otherwise prevent any other  
2 federal, state or county agency from the performance of its duties;

3 4. RESPONDENTS enter into this Stipulation voluntarily and without coercion and  
4 acknowledge that no promises, threats or assurances have been made by the COMMISSIONER or  
5 any officer, or agent thereof, about this Stipulation; and

6 5. RESPONDENTS and the COMMISSIONER agree that this Stipulation may be  
7 executed in one or more separate counterparts, each of which when so executed, shall be deemed an  
8 original. Such counterparts shall together constitute and be one and the same instrument.

9 Dated: 1/9/12 California Corporations Commissioner

10 By \_\_\_\_\_  
11 ALAN S. WEINGER  
12 Deputy Commissioner

13 Dated: 1/5/12

14 By \_\_\_\_\_  
15 DAVID H. EUZARRAGA, an individual

16 Dated: 1/5/12

17 By \_\_\_\_\_  
18 DAVID H. EUZARRAGA, Managing Member on behalf of  
19 VOLKL INVESTMENTS, LLC  
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- 1           b.     Volkl and Euzarraga misrepresented to investors that an investment in Volkl
- 2                 CDs would give investors a higher rate of secured return versus bank CDs;
- 3           c.     Volkl and Euzarraga misrepresented to some investors that their investment
- 4                 money would be used solely to fund residential mortgages, when in actuality
- 5                 investment money was also used to purchase risky subprime auto loans;
- 6           d.     Volkl and Euzarraga misrepresented to investors the amounts they were
- 7                 earning from Volkl by sending out fabricated account statements showing
- 8                 investors were earning what was promised, when in actuality Volkl was not
- 9                 generating the revenue necessary to pay the interest payments and/or principle,
- 10                which enticed some investors to invest additional money in Volkl; and
- 11           e.     Volkl and Euzarraga failed to disclose that Euzarraga was not licensed to sell
- 12                 securities.

13           Based on the foregoing findings, the California Corporations Commissioner is of the opinion  
14 that the securities offered and sold by Volkl and Euzarraga were offered and sold in this state by  
15 means of written or oral communications that included untrue statements of material fact or omitted  
16 to state material facts necessary in order to make the statements made, in the light of the  
17 circumstances under which they were made, not misleading, in violation of section 25401 of the  
18 Corporate Securities Law of 1968.

19           Pursuant to Section 25532 of the Corporate Securities Law of 1968, Volkl Investments, LLC  
20 and David H. Euzarraga are hereby ordered to desist and refrain from offering or selling or buying or  
21 offering to buy any security in the State of California, including, but not limited to, investment  
22 contracts by means of any written or oral communication, which includes an untrue statement of a  
23 material fact or omits to state a material fact necessary in order to make the statements made, in the  
24 light of the circumstances under which they were made, not misleading.

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

3 Dated:           November 21, 2011  
4                   Los Angeles, California

5                                   PRESTON DuFAUCHARD  
6                                   California Corporations Commissioner

7                                   By \_\_\_\_\_  
8                                   ALAN S. WEINGER  
9                                   Deputy Commissioner  
10                                  Enforcement Division

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