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

TO: Tom Fallon, President Legacy Group Recovery, Inc. 100 Oceangate, Suite #1100 Long Beach, CA 90802	Art DeFalco AGD Advisors 9220 Marina Pacifica Dr. N. Long Beach, CA 90803
Andrew Cordova 140 Linden, #852 Long Beach, CA 90802	Benjamin Williams 202 E. Cabrillo St. Costa Mesa, CA 92627
Brian Garmon 3530 W. Sweetday Ct. Anaheim, CA	Michael Young 1555 Mesa Verde Dr., E #23L Costa Mesa, CA 92626
Jonathan Bonzilla Mantra Consulting 24331 Muirlands Blvd., #D4-412 Lake Forest, CA 92630	Conrad Karfarski Special K Enterprises, Inc. 23600 El Toro Road, D298 Lake Forest, CA 92630

DESIST AND REFRAIN ORDER

(For violations of sections 25130 and 25210 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Tom Fallon (“Fallon”) was a natural person, a resident of California, and the President of Legacy Group Recovery, Inc., a California Corporation. Fallon is a licensed insurance agent and notary public. Fallon’s last known business address is 100 Oceangate, Suite 1100, Long Beach, CA 90802.
2. Legacy Group Recovery, Inc. (“Legacy”) is a California corporation formed on April 7, 2009. On its website, www.legacygroupone.com, it claims to be “a fully accredited collection agency.” Legacy’s website also offers financial and insurance products, claiming “We are dedicated in assisting our clients in Guaranteed and Safe Investments, Long Term Care Insurance, Life Insurance, Medicare, Retirement Planning, and Estate Planning. With Legacy Group, you will have Security, Protection, and Peace of Mind.” Legacy’s last known business address is 100 Oceangate, Suite 1100,

1 Long Beach, CA 90802.

2 3. Art DeFalco (“DeFalco”) is a natural person, a resident of California, and a control person of
3 AGD Advisors, an unregistered fictitious business name. DeFalco’s last known business address is
4 9220 Marina Pacifica Dr. N., Long Beach, CA 90803.

5 4. Andrew Cordova (“Cordova”) is a natural person and a resident of California. Cordova’s last
6 known business address is 140 Linden #852, Long Beach, CA 90802.

7 5. Benjamin Williams (“Williams”) is a natural person and a resident of California. William’s
8 last known business address is 202 E. Cabrillo Street, Costa Mesa, CA 92627.

9 6. Brian Garmon (“Garmon”) is a natural person and a resident of California. Garmon’s last
10 known business address is 3530 W. Sweetday Court, Anaheim, CA.

11 7. Jonathan J. Bonilla (“Bonilla”) is a natural person, a resident of California, and a control
12 person of Mantra Consulting, a California corporation. Bonilla’s last known business address is
13 24331 Muirlands Blvd. #D4-412, Lake Forest, CA 92630.

14 8. Mantra Consulting (“Mantra”) is an active California corporation founded on May 19, 2010.
15 Jonathan Bonilla is listed as its agent for service of process. Mantra’s last known business address is
16 also 24331 Muirlands Blvd. #D4-412, Lake Forest, CA 92630.

17 9. Michael Young (“Young”) is a natural person and a resident of California. Young’s last
18 known business address is 1555 Mesa Verde Dr. E., #23L, Costa Mesa, CA 92626.

19 10. Conrad Karfarski (“Karfarski”) is a natural person, a resident of California, and a control
20 person of Special K Enterprises, Inc. Karfarski’s last known business address is 23600 El Toro Road,
21 D298, Lake Forest, CA 92630.

22 11. Special K Enterprises, Inc. (“Special K”) is an active California corporation formed on May 5,
23 2008. Special K’s last known business address is also 23600 El Toro Road, D298, Lake Forest, CA
24 92630.

25 12. In or about September 2009, Fallon and Legacy agreed to acquire working interests in five oil
26 wells in Texas called the “Lauster 1A SW 5 Well Prospect” (“Lauster”) from Flintrock Resources
27 Management, Inc. The working interests in Lauster are securities in the form of investment contracts
28 and/or certificates of interest or participation in an oil title or lease or in payments out of production

1 under that title or lease (hereinafter, the “securities” or the “working interests”). These securities
2 were not qualified for sale in the State of California and were not exempt from qualification.

3 13. Beginning in or about October 2009 to October 2010, Fallon and Legacy offered and sold the
4 Lauster working interests through a network of “independent contractors” who telemarketed, cold-
5 called, and used other forms of general solicitation in the offer and sale of the securities. In all,
6 Fallon and Legacy sold \$538,718 worth of Lausters working interests to 21 investors, 4 of whom live
7 in California.

8 14. In or before October 2010, Fallon and Legacy acquired a block of stock in Healthient, Inc., a
9 Florida corporation whose stock is traded on the OTC/BB market(s). Healthient stocks are securities.

10 15. Beginning in or about October 2010 to January 2011, Fallon and Legacy offered and sold the
11 Healthient stock through a network of “independent contractors” who telemarketed, cold-called, and
12 used other forms of general solicitation in the offer and sale of the securities. In all, Fallon and
13 Legacy sold \$430,832 worth of Healthient stock to 21 investors, 2 of whom live in California.

14 16. Fallon and Legacy employed DeFalco, Cordova, Williams, Garmon, Bonilla, Mantra, Young,
15 Karfarski, and Special K to solicit potential investors through postings on the Internet, cold-calling,
16 telemarketing and/or other means of general solicitation. DeFalco, Cordova, Williams, Garmon,
17 Bonilla, Mantra, Young, Karfarski, and Special K offered and sold the securities for Fallon and
18 Legacy for compensation, in the State of California.

19 17. None of the aforementioned persons or entities obtained a certificate from the California
20 Corporations Commissioner, then in effect, authorizing them to offer, sell, or otherwise effect any
21 transaction in, or induce or attempt to induce the purchase or sale of, any security in the State of
22 California. In other words, the aforementioned persons and entities are not licensed securities broker
23 dealers.

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1 Based upon the foregoing, the California Corporations Commissioner is of the opinion that
2 Tom Fallon, Legacy Group Recovery, Inc., Art Defalco, Andrew Cordova, Benjamin Williams, Brian
3 Garmon, Jonathan Bonilla, Mantra Consulting, Michael Young, Conrad Karfarski, Special K
4 Enterprises, Inc., have offered and sold unqualified, non-exempt securities in the State of California,
5 in violation of section 25130 of the Corporate Securities Law of 1968.

6 Pursuant to section 25532 of the Corporate Securities Law of 1968, Tom Fallon, Legacy
7 Group Recovery, Inc., Art Defalco, Andrew Cordova, Benjamin Williams, Brian Garmon, Jonathan
8 Bonilla, Mantra Consulting, Michael Young, Conrad Karfarski, Special K Enterprises, Inc., are
9 hereby ordered to desist and refrain from the further offer and sale of unqualified, non-exempt
10 securities, including but not limited to, securities in the form of investment contracts and/or
11 certificates of interest or participation in an oil title or lease or in payments out of production under
12 that title or lease, in the State of California, in violation of section 25130 of the Corporate Securities
13 Law of 1968.

14 Further, based upon the foregoing, the California Corporations Commissioner is of the
15 opinion that Tom Fallon, Legacy Group Recovery, Inc., Art Defalco, Andrew Cordova, Benjamin
16 Williams, Brian Garmon, Jonathan Bonilla, Mantra Consulting, Michael Young, Conrad Karfarski,
17 Special K Enterprises, Inc., have effected transactions in securities as broker-dealers without having
18 first applied for and secured from the Commissioner a certificate, authorizing these person(s) to act in
19 that capacity, in violation of section 25210 of the Corporate Securities Law of 1968.

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1 Pursuant to section 25532 of the Corporate Securities Law of 1968, Tom Fallon, Legacy
2 Group Recovery, Inc., Art Defalco, Andrew Cordova, Benjamin Williams, Brian Garmon, Jonathan
3 Bonilla, Mantra Consulting, Michael Young, Conrad Karfarski, Special K Enterprises, Inc., are
4 hereby ordered to desist and refrain from effecting any transaction in, or inducing or attempting to
5 induce the purchase or sale of, any security in this state, unless and until they have applied for and
6 secured from the Commissioner a certificate, then in effect, authorizing these persons to act in that
7 capacity.

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

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11 Dated: January 13, 2012
12 Sacramento, California

JAN LYNN OWEN
California Corporations Commissioner

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14 By _____
15 ALAN S. WEINGER
16 Deputy Commissioner
17 Enforcement Division
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