DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
ENFORCEMENT SECTION
BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of: **Edwin Tolentino Garcia,** **Respondent.**	**S-07-0009-3** **ORDER TO CEASE AND DESIST** **ORDER BARRING FROM INDUSTRY** **ORDER DENYING EXEMPTIONS** **ORDER IMPOSING CIVIL PENALTIES** **And** **CONSENT TO ENTRY OF ORDER**

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of Profits4investingtoo.com, Daniel Michael Wheatley (hereinafter "Wheatley"), Sunshine Elise Simmons (hereinafter "Simmons") and Edwin Tolentino Garcia (hereinafter "Respondent" or "Garcia") and determined that they engaged in activities constituting violations of ORS 59.005 through 59.830 (hereinafter cited as the Oregon Securities Law); and

WHEREAS Respondent wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, Respondent hereby **CONSENTS** to entry of this order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4140

FINDINGS OF FACT

The Director **FINDS** that:

1. At all times material herein, Profits4investingtoo.com offered investments in a long-term, high-yield private loan program to members of the public using the website "profits4investingtoo.com" (hereinafter "the website") from December 3, 2005 through

approximately January 25, 2006. At all times material herein, Profits4investingtoo.com was an unincorporated business operated by Wheatley, Simmons and Garcia from their homes. Wheatley and Simmons, who are husband and wife, share a last known address of 636 S. 41st Place in Springfield, Oregon. Garcia's last known address is 11716 NE 49th Street #F4 in Vancouver, Washington.

2. At all times material herein, Profits4investing.com was not licensed as a broker-dealer by the Oregon Division of Finance and Corporate Securities and was not authorized to sell securities in the State of Oregon.

3. At all times material herein, Wheatley, Simmons and Garcia were not licensed as broker-dealer salespersons by the Oregon Division of Finance and Corporate Securities and were not authorized to sell securities in the State of Oregon.

4. Wheatley, along with Simmons, developed the investment scheme offered on the website. The website claimed the investment scheme was a long-term, high-yield private loan program "backed up by investing in various funds and activities." The website claimed "profits from these investments are used to enhance our program and increase its stability for the long term." Simmons and Wheatley used the e-mail address "webmaster@profits4investingtoo.com," which was provided to investors for use in contacting Profits4investingtoo.com.

5. The website offered several programs in which individuals could invest in the investment scheme. Attachment A, hereby incorporated by reference, provides a depiction of the programs the website offered.

6. The website instructed people who wished to invest in the investment scheme to transfer their investment funds via one of two Internet money processors, Stormpay and E-gold. The Stormpay account identified by the website belonged to Garcia.

7. Garcia opened his Stormpay account in December 2003 and conducted 61 transactions between December 16, 2003 and November 22, 2005, which was prior to

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the operation of the website. After the website became operational on December 3, 2005, use of Garcia's Stormpay account skyrocketed to 27,330 transactions conducted between December 13, 2005 and March 8, 2006. These transactions included the receipt of consumers' investment funds, the payment of funds to investors, and charge-backs resulting from customer complaints. Stormpay reported that as of March 17, 2006 there had been 1,314 complaints filed with Stormpay against Garcia's Stormpay account as a result of Garcia's receipt of money for the investment scheme and the failure to pay investors in the investment scheme.

8. Garcia directed Stormpay to wire funds from his Stormpay account to his checking account at IQ Credit Union in Vancouver, Washington. Garcia would then wire a portion of those funds to Wheatley's checking account at Bank of America. Garcia would keep the remaining funds.

9. Between December 23, 2005 and January 23, 2006, Stormpay wired approximately $664,997 into Garcia's IQ Credit Union checking account. Garcia then wired $435,675 to Wheatley's checking account at Bank of America.

10. In November 2005, Wheatley's Bank of America checking account had a balance of $0.81 and his saving account was overdrawn by $5.99 but by March 13, 2006, Wheatley's checking account had a balance of $23,596.36 and his savings account had a balance of $100,348.63. Garcia's checking account balance was $16,446.98 and his savings account balance was $503.74.

11. A review of Garcia and Wheatley's bank records indicates that the investment funds received via Stormpay were not spent on an investment that might produce income for the investors but instead were used to purchase personal and real property including Wheatley and Simmons' home in Springfield, Oregon, a 2005 Mercedes Benz C230, a 2004 Hummer, jewelry, furniture, appliances and electronic equipment.

12. On December 29, 2005, Ellen Langfitt of Jacksonville, North Carolina invested

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$40 with profits4investingtoo.com in a ten-day plan that promised a 400% return. On December 31, 2005, she invested $70 in a ten-day plan that promised a 400% return. On January 9, 2006, her account was credited $160, which ostensibly included her initial $40 investment plus $120 interest. That same day, Ellen Langfitt invested $50 of that money in a four-day plan that promised around 35% interest and another $50 of that money into a ten-day plan that promised a 400% return. She did not receive any return on her December 31, 2005 or January 9, 2006 investments. She lost a net of $50 to the investment scheme.

13. On January 9, 2006, Nathan Langfitt, also of Jacksonville, North Carolina, invested $200 with profits4investingtoo.com in a ten-day plan that promised a 400% return. On January 10, 2006, he invested $200 in a ten-day plan that promised a 400% return and $250 in a four-day plan that promised a 35% return. On February 1, 2006, his account was credited $800 for his January 10, 2006 ten-day investment. Before he could withdraw the $800, it was charged back from his Stormpay account to profits4investingtoo.com. He did not receive any return of principal or profit for his January 10, 2006 investments. He lost a net of $650 to the investment scheme.

14. On January 10, 2006, Lillie Coley of New Jersey invested $4,000 with profits4investingtoo.com in a four-day plan that promised a 35% return, $5,500 in a seven-day plan that promised a 220% return, and $500 in a fifteen-day plan that promised a 350% return. She invested the money expecting to make the stated returns. She understood that her money would be pooled with other investors' funds to invest in foreign exchange, day trading or other similar profit-making enterprises to produce the promised returns. She did not agree that any of her funds could be used for personal use by operators of the website. She was not required to do anything more than provide her investment funds to obtain the stated returns, she had no management in the investment scheme, and required others to manage the investment funds to obtain

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her return. When she did not receive the promised returns, she contacted website administrator who reported to her that the accounts were hacked but that everyone would be paid. On February 1, 2006, profits4intestingtoo.com deposited $3,672 to Ms. Coley's Stormpay account and she was able to withdraw those funds but lost $6,328 of her investment.

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. The investment scheme which was offered and sold by Profits4investingtoo.com and Respondent through the website is a "security" as defined in ORS 59.015(19)(a).

2. Profits4investingtoo.com and Respondent offered and/or sold unregistered securities in the State of Oregon in violation of ORS 59.055 from December 3, 2005 through January 25, 2006.

3. Profits4investingtoo.com and Respondent, in connection with the offer and/or sale of the investment scheme via the website, omitted to state that investor funds would be used for the personal expenses of Wheatley, Simmons and Garcia, which was an omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading in violation of ORS 59.135(2) from December 3, 2005 through January 25, 2006.

ORDER

The Director, pursuant to ORS 59.245(4), hereby **ORDERS** that Respondent will **CEASE AND DESIST** from violating any provision of Oregon Securities Law, OAR 441-025-0005 through 441-225-0030 and any rule, order or policy issued by the Division.

Edwin Tolentino Garcia is permanently restrained, enjoined, and prohibited from directly or indirectly engaging in any activity related to trading in any security, as that term is defined in ORS 59.015(19)(a), or any commodity, as that term is defined in ORS

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645.005(2), for any reason other than personal investment of his own funds including, but not limited to, the following:

1. Engaging in any business activities related to securities or commodities trading;

2. Soliciting or accepting any funds from any person in connection with the purchase or sale of any security;

3. Placing orders or giving advice or price quotations, or other information in connection with the purchase or sale of any security interest ~~for themselves and others~~ For EB EB others.

4. Introducing customers to any other person engaged in the business of securities;

5. Applying for any securities-related license or registration or claiming exemption from registration or licensure with the Division of Finance and Corporate Securities (DFCS) in any capacity, and engaging in any activity requiring such registration, licensure or exemption from registration with DFCS;

6. Issuing statements or reports to others concerning any security; and

7. Engaging in any business activities related to securities.

The Director, pursuant to ORS 59.995 hereby **ORDERS** Respondent to pay the State of Oregon a civil penalty of $100,000 for the continuing violations of ORS 59.055 and ORS 59.135(2) occurring from December 3, 2005 through January 25, 2006.

The Director, pursuant to ORS 697.093 hereby **ORDERS** that Respondent shall immediately return to all consumers all money collected or received while Respondent was in violation of ORS 59.055 and ORS 59.135(2). To the extent that Respondent cooperates with the forfeiture of funds in connection with USA v. Wheatley et al, case number 06-MJ-02016-TC filed in the United States District Court for the District of Oregon, the Director suspends payment of $100,000 of the assessed civil penalty until

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further order of the Director. If Respondent violates any provision of the Oregon Securities Law, OAR 441-025-0005 through 441-225-0030 or any rule, order, or policy issued by the Director or fails to cooperate fully with the forfeiture ordered in case number 06-MJ-02016-TC, the suspended portion of the assessed civil penalty will become immediately due and payable.

The date of this order is the day the Director or Director's nominee signs the order. The entry of this Order in no way limits further remedies which may be available to the Director under Oregon law.

Dated this 26th day of July, 2007, at Salem, Oregon.

CORY STREISINGER, Director
Department of Consumer and Business Services

David Tatman, Administrator
Division of Finance and Corporate Securities

APPROVED AS TO FORM:

Attorney for Respondent

Dated: 6/6/2007

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CONSENT TO ENTRY OF ORDER

I, Edwin Tolentino Garcia, state that I have read the foregoing Order and that I know and fully understand the contents hereof; that I have been advised of the right to a hearing and of the right to be represented by counsel in this matter; that I voluntarily and without any force or duress, consent to the entry of this Order, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to

take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law; and that I will fully comply with the terms and conditions stated herein.

Respondent further assures the Director that neither I, nor my employees or agents, will effect any transactions in Oregon unless such activities are in full compliance with Chapter 59 of the Oregon Revised Statutes.

I understand that this Consent Order is a public document.

Dated this 6TH day of JUNE, 2007.

By _____
Edwin Tolentino Garcia

Subscribed and sworn to be me this 6 day of June, 2007.

OFFICIAL SEAL
TERRI L KANWISCHER
NOTARY PUBLIC - OREGON
COMMISSION NO. 386776
MY COMMISSION EXPIRES JANUARY 5, 2009

_____
Notary Public
for the State of: Oregon
My commission expires: 1-5-09

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