

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

TO: Richard Thomas Habib a.k.a. Richard Habib
Luis Orozco Madrid a.k.a. Luis Madrid
Sergio Esparza
Corporate Funding Financial of America, Inc.
450 B Street, Suite 840
San Diego, CA 92101
and
www.corporatefundingonline.com

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, Corporate Funding Financial of America, Inc., is and was a California corporation, incorporated on July 11, 2001, with a principal place of business at 450 B Street, Suite 840, San Diego, CA 92101. Corporate Funding Financial of America, Inc. maintains a Web site at www.corporatefundingonline.com. Corporate Funding Financial of America, Inc. is a California Department of Real Estate licensed corporation (# 01326003).

2. At all relevant times, Richard Thomas Habib, also known as Richard Habib (“Habib”), is and was the President and a control person of Corporate Funding Financial of America, Inc. Habib is a California Department of Real Estate licensed salesperson (#00869753).

1 3. At all relevant times, Luis Orozco Madrid, also known as Luis Madrid (“Madrid”), is and was
2 the Vice President and a control person of Corporate Funding Financial of America, Inc.

3
4 4. At all relevant times, Sergio Esparza (“Esparza”) is and was a salesperson for Corporate
5 Funding Financial of America, Inc.

6
7 5. Beginning in or about 2005, Habib, Madrid, Esparza and Corporate Funding Financial of
8 America, Inc. offered or sold securities in the form of promissory notes to California residents.

9
10 6. Through general solicitations in the form of advertisements on the company’s Web site,
11 www.corporatefundingonline.com, and an investor recruitment network, Habib, Madrid, Esparza and
12 Corporate Funding Financial of America, Inc. offered or sold promissory notes.

13
14 7. According to the company’s Web site, Corporate Funding Financial of America, Inc. “[w]as
15 founded in 1975, in San Diego Ca., as a real estate Trust Deed Investment Firm.” According to
16 solicitation materials distributed to investors and potential investors, “in order to accelerate, and make
17 our activities of real state [sic] investment placing more practical and accessible, we custom design, to
18 even the most demanding credit seeker, the following Investment Plans: . . . Fund Corp 1 . . .
19 Minimum amount of \$50,000.00 US Dlls., at a fixed time limit of 90 days, paying an annual interest
20 rate of 10% . . . Fund Corp 2 . . . Minimum amount of \$200,000.00 US Dlls., at a fixed time limit of
21 180 days, paying an annual interest rate of 12% . . . Fund Corp 3 . . . Minimum amount of \$500,000.00
22 US Dlls., at a fixed time limit of one year, paying an annual interest rate of 14%.”

23
24 8. The purported purpose of the offering was to raise funds in order to make loans to finance real
25 estate developments in San Diego, California and Las Vegas, Nevada.

26 ///
27 ///
28 ///

1 9. These securities were offered or sold in this state in issuer transactions. The Department of
2 Corporations has not issued a permit or other form of qualification authorizing any person to offer or
3 sell these securities in this state.

4
5 10. In connection with these offers or sales, Habib, Madrid, Esparza and Corporate Funding
6 Financial of America, Inc. misrepresented that investors would receive monthly interest payments. In
7 fact, investors have not received all the promised interest payments and in other cases, the interest
8 payment checks given to investors have bounced due to insufficient funds in Corporate Funding
9 Financial of America, Inc.'s bank account.

10
11 Based upon the foregoing findings, the California Corporations Commissioner is of the opinion
12 that the investments that are being or have been offered or sold by Richard Thomas Habib, Luis
13 Orozco Madrid, Sergio Esparza and Corporate Funding Financial of America, Inc. are securities
14 subject to qualification under the Corporate Securities Law of 1968 (Corporations Code, section 25100
15 et seq.) and are being or have been offered or sold without being qualified in violation of Corporations
16 Code section 25110. Pursuant to section 25532 of the Corporate Securities Law of 1968, Richard
17 Thomas Habib, Luis Orozco Madrid, Sergio Esparza and Corporate Funding Financial of America,
18 Inc. are hereby ordered to desist and refrain from the further offer or sale in the State of California of
19 securities, including but not limited to promissory notes, unless and until qualification has been made
20 under the law or unless exempt.

21
22 Further, the California Corporations Commissioner is of the opinion that the securities of
23 Richard Thomas Habib, Luis Orozco Madrid, Sergio Esparza and Corporate Funding Financial of
24 America, Inc. were offered or sold in this state by means of written or oral communications which
25 included an untrue statement of a material fact or omitted to state a material fact necessary in order to
26 make the statements made, in the light of the circumstances under which they were made, not
27 misleading, in violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to section
28 25532 of the Corporate Securities Law of 1968, Richard Thomas Habib, Luis Orozco Madrid, Sergio

1 Esparza and Corporate Funding Financial of America, Inc. are hereby ordered to desist and refrain
2 from offering or selling or buying or offering to buy any security in the State of California, including
3 but not limited to promissory notes, by means of any written or oral communication which includes an
4 untrue statement of a material fact or omits to state a material fact necessary in order to make the
5 statements made, in the light of the circumstances under which they were made, not misleading.

6
7 This Order is necessary, in the public interest, for the protection of investors and consistent
8 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

9
10 Dated: July 30, 2007
11 Los Angeles, California

12 PRESTON DuFAUCHARD
13 California Corporations Commissioner

14 By _____
15 ALAN S. WEINGER
16 Lead Corporations Counsel
17 Enforcement Division
18
19
20
21
22
23
24
25
26
27
28