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

**TO:** Robert T. Reese (aka Bob Reese)  
IFA Holding, Inc.  
Cypress Financial NW, Inc. (aka Cypress Financial, Inc.)  
  
316 Mid Valley Center, #159  
Carmel, California 93923  
  
9920 Holt Road  
Carmel, CA 93923

**DESIST AND REFRAIN ORDER**  
**(For violations of section 25110, 25210, 25230 and 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. At all relevant times, Robert T. Reese, also known as Bob Reese, was President of IFA Holding, Inc., an active Washington State Corporation.
2. At all relevant times, Robert T. Reese, also known as Bob Reese, was General Manager of Cypress Financial NW, Inc. (aka Cypress Financial, Inc.), an active Washington State Corporation.
3. Beginning in or about November 2001, Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., offered or sold securities in the State of California in the form of investment contracts representing interests in a “Secured Capital Enhancement Program” through Dobb White & Co., a U.K. accounting firm, under the management of Shinder Singh Gangar and Alan White.

1 4. Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., offered or sold  
2 investment contracts representing interests in the “Secured Capital Enhancement Program” in the  
3 amount of \$25,000 to one investor, and in the amount of \$20,000 to another investor.  
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5 5. The purported purpose of the offering was to raise funds to engage in bond trading, with  
6 guaranteed security of principal. The bond trading program was described to at least one investor in  
7 a document written by Gary Lynn McDuff of Overseas Development Bank and Trust.  
8

9 6. These securities were offered or sold in this state in issuer transactions. The Department of  
10 Corporations has not issued a permit or other form of qualification authorizing any person to offer  
11 and sell these securities in this state.  
12

13 7. Neither Robert T. Reese, IFA Holding, Inc., nor Cypress Financial NW, Inc., had a valid  
14 broker-dealer certificate issued by the Department of Corporations or the U.S. Securities and  
15 Exchange Commission (SEC) at any time since at least November 2001.  
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17 8. Beginning in or about November 2001, Robert T. Reese, IFA Holding, Inc., and Cypress  
18 Financial NW, Inc., provided discretionary investment advice to one or more investors in connection  
19 with the “Secured Capital Enhancement Program.”  
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21 9. Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., received compensation  
22 for the investment advisory services they provided to one or more investors.  
23

24 10. Neither Robert T. Reese, IFA Holding, Inc., nor Cypress Financial NW, Inc., had a valid  
25 investment adviser certificate issued by the Department of Corporations or the U.S. Securities and  
26 Exchange Commission (SEC) at any time since at least November 2001.  
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1 11. In connection with these offers and sales, Robert T. Reese, IFA Holding, Inc., and Cypress  
2 Financial NW, Inc., represented to investors that:

3 a. Robert T. Reese was an “Estate and Retirement Planner” and an “Independent Financial  
4 Advisor.”

5 b. The “Secured Capital Enhancement Program” investment was extremely conservative, and  
6 involved bond trading with the security of the principal guaranteed by Lloyds of London.

7 c. Interest payments to the investors in the program would be 1.66 percent per month.

8 d. The principal could be withdrawn at any time with a 30-day written notice. In fact, at least  
9 one investor requested, in writing, the return of his investment, but Robert T. Reese, IFA Holding,  
10 Inc., and Cypress Financial NW, Inc., failed to return the funds.

11 e. The delays in receipt of the distribution payments were the result of the events of  
12 September 11, 2001, and worldwide terrorist activities, as well as the implementation of the Patriot  
13 Act.

14 f. Reese made a request on December 16, 2002, to the fiduciary for return of the principal,  
15 and was planning to re-invest the funds in a domestic program.

16 g. Going to the authorities to report Reese’s failure to return the investment money would tie  
17 up the funds indefinitely.

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19 12. In connection with these offers and sales, Robert T. Reese, IFA Holding, Inc., and Cypress  
20 Financial NW, Inc., failed to disclose to investors that:

21 a. In 2001 and 2002, Gangar and White had received investor funds in connection with a  
22 fictitious investment program operated by Terry L. Dowdell through Vavasour Corporation, a  
23 Bahamian company controlled by Dowdell. Dowdell was the subject of an SEC fraud action and  
24 admitted to the fraud in June 2002. Dowdell admitted there were no trades or investments, but rather  
25 the investors were paid “profits” in a typical Ponzi scheme from new investor funds. Dowdell  
26 pleaded guilty to 20 felony charges in December 2002 involving securities fraud and money  
27 laundering.  
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1           b. Dowdell further admitted that Overseas Development Bank and Trust, for which McDuff  
2 was a Senior Trust Officer, was used in furtherance of the fraud.

3           c. By the time Reese made the purported demand to Dobb White & Co. on December 16,  
4 2002, for the return of the investor funds, Gangar and White had been arrested in the United  
5 Kingdom in October 2002 on suspicion of involvement in Dowdell's fraudulent investment program,  
6 and the FSA had obtained a worldwide asset freeze against Gangar and White and Dobb White & Co.  
7

8           Based upon the foregoing findings, the California Corporations Commissioner is of the  
9 opinion that the investment contracts representing an interest in the Secured Capital Enhancement  
10 Program are securities subject to qualification under the California Corporate Securities Law of 1968  
11 and are being or have been offered or sold without being qualified in violation of Corporations Code  
12 section 25110. Pursuant to section 25532 of the Corporate Securities Law of 1968, Robert T. Reese,  
13 IFA Holding, Inc., and Cypress Financial NW, Inc., are hereby ordered to desist and refrain from the  
14 further offer or sale in the State of California of securities, including but not limited to investment  
15 contracts, unless and until qualification has been made under the law.  
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17           In addition, based upon the foregoing, the California Corporations Commissioner is of the  
18 opinion that Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., have effected  
19 transactions in securities as broker-dealers without having first applied for and secured from the  
20 Commissioner a certificate authorizing these persons to act in that capacity, in violation of section  
21 25210 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the Corporate  
22 Securities Law of 1968, Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., are  
23 hereby ordered to desist and refrain from effecting any transaction in, or inducing or attempting to  
24 induce the purchase or sale of, any security in this state, unless and until they have applied for and  
25 secured from the Commissioner a certificate, then in effect, authorizing these persons to act in that  
26 capacity.  
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1 Also, based upon the foregoing findings, the California Corporations Commissioner is of the  
2 opinion that Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., have conducted  
3 business as investment advisers in this state without first applying for and securing from the  
4 commissioner a certificate authorizing them to do so, in violation of section 25230 of the Corporate  
5 Securities Law of 1968. Pursuant to section 25532 of the Corporate Securities Law of 1968, Robert  
6 T. Reese, IFA Holding, Inc., and Cypress Financial NW, Inc., are hereby ordered to desist and refrain  
7 from acting as investment advisers in the State of California unless and until they have first applied  
8 for and secured from the Commissioner a certificate, then in effect, authorizing them to act as  
9 investment advisers.

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11 Further, the California Corporations Commissioner is of the opinion that the securities  
12 representing interests in a "Secured Capital Enhancement Program" through Dobb White & Co. were  
13 offered or sold in this state by means of written or oral communications which included an untrue  
14 statement of a material fact or omitted to state a material fact necessary in order to make the  
15 statements made, in the light of the circumstances under which they were made, not misleading, in  
16 violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the  
17 Corporate Securities Law of 1968, Robert T. Reese, IFA Holding, Inc., and Cypress Financial NW,  
18 Inc., are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any  
19 security in the State of California, including but not limited to investment contracts, by means of any  
20 written or oral communication which includes an untrue statement of a material fact or omits to state  
21 a material fact necessary in order to make the statements made, in the light of the circumstances  
22 under which they were made, not misleading.

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

Dated: August 16, 2004  
Sacramento, California

WILLIAM P. WOOD  
California Corporations Commissioner

By \_\_\_\_\_  
VIRGINIA JO DUNLAP  
Deputy Commissioner  
Enforcement and Legal Services