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

TO: Douglas Mears, President  
Stephen Thompson, Managing Director and Founder  
Paul Lewakowski, Sales Manager  
Leland National Gold Exchange, Inc.  
11812 San Vicente Blvd., Suite 125  
Los Angeles, CA 90049  
and  
261 S. Robertson Blvd., Suite 200  
Beverly Hills, CA 90211  
and  
www.lelandgold.com

**DESIST AND REFRAIN ORDER**  
**(For violations of section 29536 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. Leland National Gold Exchange, Inc. (“Leland”) was incorporated under the laws of Nevada on March 18, 2009. At all relevant times, it maintained a principal place of business at 11812 San Vicente Blvd., Suite 125, Los Angeles, CA 90049, or 261 S. Robertson Blvd., Suite 200, Beverly Hills, CA 90211. It maintains a website at www.lelandgold.com.
2. At all relevant times, Douglas Mears (“Mears”) was the president and a control person of Leland.
3. At all relevant times, Stephen Thompson (“Thompson”) was a managing director, founder, and control person of Leland.
4. At all relevant times, Paul Lewakowski (“Lewakowski”) was a sales manager of Leland.

1           5.       Beginning in 2009 or earlier, Leland, Mears, Thompson, and Lewakowski offered and  
2 sold commodities and commodity contracts for the purchase of precious metals, including but not  
3 limited to gold, silver, platinum, and palladium bullion and coins.

4           6.       Leland, Mears, Thompson, and Lewakowski offered and sold these commodities and  
5 commodity contracts to residents of California and elsewhere.

6           7.       Leland, Mears, Thompson, and Lewakowski offered and sold commodity contracts  
7 that would put the customer in a “leveraged position,” meaning the customer’s total purchase would  
8 be two to four times the amount of the customer’s cash investment.

9           8.       In connection with the offer and sale of these commodities and commodity contracts,  
10 Leland, Mears, Thompson, and Lewakowski willfully misinformed customers regarding the amount  
11 of commission that Leland and its representatives would be receiving. Leland, Mears, Thompson,  
12 and Lewakowski falsely told customers that they would be charged a commission based on a  
13 percentage of the amount of the customer’s cash investment. Leland, Mears, Thompson, and  
14 Lewakowski omitted to tell customers that they would actually be charged a commission based on a  
15 percentage of the leveraged amount.

16           9.       In connection with the offer and sale of these commodities and commodity contracts,  
17 Leland, Mears, Thompson, and Lewakowski willfully told customers that there was almost no risk of  
18 losing their principal investment. In fact, these commodities and commodity contracts carry a high  
19 degree of risk of loss.

20           10.      In connection with the offer and sale of these commodities, and commodity contracts,  
21 Lewakowki omitted to tell customers that he had been convicted of a felony, misapplication of  
22 contractor funds, in 2010 in the state of Louisiana.

23           11.      Leland, Mears, Thompson, and Lewakowski each performed the above acts either  
24 directly or through their agents.

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26           Based on the foregoing findings, the California Corporations Commissioner is of the opinion  
27 that Leland National Gold Exchange, Inc.; Douglas Mears; Stephen Thompson; and Paul Lewakowki  
28 have, directly or indirectly, in connection with the purchase or sale of, the offer to sell, the offer to

1 purchase, the offer to enter into, or the entry into, a commodity or commodity contract, willfully  
2 made untrue statements of material fact, or omitted to state a material fact necessary in order to make  
3 the statements made, in the light of the circumstances under which they were made, not misleading.  
4 Pursuant to Section 29542 of the Corporations Code, Leland National Gold Exchange, Inc.; Douglas  
5 Mears; Stephen Thompson; and Paul Lewakowki are hereby ordered to desist and refrain, in  
6 connection with the offer and sale of commodities and commodity options, from willfully making  
7 any untrue statement of a material fact, or omitting to state a material fact necessary in order to make  
8 the statements made, in the light of the circumstances under which they were made, not misleading.

9 This Order is necessary, in the public interest, for the protection of investors and consistent  
10 with the purposes, policies, and provisions of the California Commodity Law of 1990.

11  
12 Dated: August 28, 2012  
13 Sacramento, California

14 JAN LYNN OWEN  
15 California Corporations Commissioner

16 By: \_\_\_\_\_  
17 MARY ANN SMITH  
18 Deputy Commissioner  
19 Enforcement Division  
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