

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

TO: Wendy Matthews  
10 Chrysler, Ste B  
Irvine, CA 92618

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

The California Corporations Commissioner finds that:

1. At all relevant times Wendy Matthews (“Matthews”) was a sales agent of Super Absorbent Company (“SAC”), a Nevada Corporation formed in May 2001, with offices located at 10 Chrysler, Suite B, Irvine, California 92618.
2. Beginning in or around February 2003, SAC and Matthews offered and sold securities in the form of common stock in SAC.
3. Beginning in February 2003 and continuing through the present, SAC and Matthews have offered or sold securities in the state of California in the form of common stock in SAC by means of unsolicited phone calls, including selling to unaccredited investors. SAC with Matthews’ substantial assistance sold at least \$6,000,000 worth of common stock to investors.
4. The purported purpose of SAC in its \$5,000,000 Private Placement Memorandum dated June 1, 2003 was to use the net proceeds from the stock offering to improve and modernize their current production facility, acquire equipment to increase production, lease and build a new facility, and to further market their products, which consists of super-absorbent starch-based polymers primarily used in agriculture to improve crop yields.
5. In connection with the offer and sale of these securities, Matthews made, or caused to be made, misrepresentations of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. Specifically, Matthews made the following misrepresentations and omissions:
  - a. Matthews misrepresented that SAC would have an initial public offering within

1 months of their private common stock offerings;

2           b.       Mathews misrepresented that SAC’s forward looking profit projections were  
3 attainable within the time period given, while the company has been operating at a significant loss;  
4 and

5           c.       Mathews failed to fully disclose the amount of compensation she received from  
6 selling SAC stock to investors.

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

10           Based on the foregoing findings, the California Corporations Commissioner is of the  
11 opinion that the SAC common stock sold by Mathews are securities subject to qualification under  
12 the California Corporate Securities Law of 1968 (“CSL”) and are being or have been offered or sold  
13 without being qualified or exempt, in violation of Section 25110 of the CSL.

14           Pursuant to Section 25532 of the CSL, Wendy Mathews is hereby ordered to desist and  
15 refrain from the further offer or sale in the State of California of securities, including, but not limited  
16 to stock, unless and until qualification has been made under said law or unless exempt.

17           Further, the California Corporations Commissioner is of the opinion that the securities offered  
18 and sold by Mathews were offered in this state by means of written or oral communications that  
19 included untrue statements of material fact or omitted to state material facts necessary in order to  
20 make the statements made, in the light of the circumstances under which they were made, not  
21 misleading, in violation of section 25401 of the CSL.

22           Pursuant to Section 25532 of the CSL, Wendy Mathews is hereby ordered to desist and  
23 refrain from offering or selling or buying or offering to buy any security in the State of California,  
24 including, but not limited to stock by means of any written or oral communication which includes an  
25 untrue statement of a material fact or omits to state a material fact necessary in order to make the  
26 statements made, in the light of the circumstances 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 CSL.

Dated: August 16, 2007

Los Angeles, California

PRESTON DUFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
ALAN S. WEINGER  
Lead Corporations Counsel  
Enforcement Division