

1 STATE OF CALIFORNIA
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY
3 DEPARTMENT OF CORPORATIONS
4

5 **TO: Pacific MedCorp**
6 **Bob Welch, Chief Financial Officer**
7 **William Newman, Director of the Financial Advisory Board**
8 **2498 Roll Drive #1358**
9 **San Diego, California 92154**

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

12 The California Corporations Commissioner finds that:

- 13 1. At all relevant times, Bob Welch was the chief financial officer of Pacific MedCorp a
14 business entity located at 2498 Roll Drive #1358, San Diego, California 92154.
- 15 2. At all relevant times, William Newman, was the Director of the Financial Advisory Board of
16 Pacific MedCorp, and involved in the sales and account management of stock.
- 17 3. Beginning in or about August 2006, Pacific MedCorp and Bob Welch offered or sold
18 securities, in the State of California in the form of stock in the company Pacific MedCorp.
- 19 4. Pacific MedCorp was purported to be in the business of stem cell research.
- 20 5. These securities were offered or sold in this state in issuer transactions. The Department of
21 Corporations has not issued a permit or other form of qualification authorizing any person to offer or
22 sell these securities in this state.
- 23 6. In connection with these offers and sales, Bob Welch and William Newman and Pacific
24 MedCorp represented to investors that the company was going to be bought or had been bought by a
25 Swiss pharmaceutical company and that the value of the shares would rise from \$5 a share to \$70 a
26 share. Investors have not received a return at all on their investments.

27 Based upon the foregoing findings, the California Corporations Commissioner is of the
28 opinion that the stock in Pacific MedCorp issued by Pacific MedCorp are securities subject to
qualification under the California Corporate Securities Law of 1968 and are being or have been

1 offered or sold without being qualified in violation of Corporations Code section 25110. Pursuant to
2 section 25532 of the Corporate Securities Law of 1968, Pacific MedCorp, Bob Welch, and William
3 Newman are hereby ordered to desist and refrain from the further offer or sale of securities in the
4 State of California, including but not limited to stock in Pacific MedCorp, unless and until
5 qualification has been made under the law.

6 Further, the California Corporations Commissioner is of the opinion that the securities
7 representing stocks in Pacific MedCorp issued by Pacific MedCorp were offered or sold in this state
8 by means of written or oral communications which included an untrue statement of a material fact or
9 omitted to state a material fact necessary in order to make the statements made, in the light of the
10 circumstances under which they were made, not misleading, in violation of section 25401 of the
11 Corporate Securities Law of 1968. Pursuant to section 25532 of the Corporate Securities Law of
12 1968, Pacific MedCorp, Bob Welch, and William Newman are hereby ordered to desist and refrain
13 from offering or selling or buying or offering to buy any security in the State of California, including
14 but not limited to stock, by means of any written or oral communication which includes an untrue
15 statement of a material fact or omits to state a material fact necessary in order to make the statements
16 made, in the light of the circumstances under which they were made, not misleading.

17 This Order is necessary, in the public interest, for the protection of investors and consistent
18 with the purposes, policies, and provisions of the Corporate Securities Law of 1968. This order shall
19 remain in full force and effect until further order of the California Corporations Commissioner.

20 Dated: July 19, 2007
21 Sacramento, California

22 PRESTON DuFAUCHARD
23 California Corporations Commissioner

24
25 By: _____
26 SHARON LUERAS
27 Lead Corporations Counsel
28 Enforcement Division