

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

\_\_\_\_\_) )  
IN THE MATTER OF: ANGELINA ) )  
LAZAR and CHARISMATIC ) )  
EXCHANGE INC. d/b/a CHARISMATIC) No. C0600279  
HOLDINGS CO., Ltd. ) )  
\_\_\_\_\_)

TEMPORARY ORDER OF PROHIBITION

**TO THE RESPONDENTS: Angelina Lazar**  
8635 West Sahara Ave., #414  
Las Vegas, NV 89117

**Angelina Lazar**  
CEO and President  
Charismatic Exchange, Inc.  
7469 W Lake Mead Bl 200  
Las Vegas, NV 89117

**Angelina Lazar**  
CEO and President  
Charismatic Exchange, Inc.  
3960 Howard Hughes Parkway  
Suite 500  
Las Vegas, NV 89117

**Angelina Lazar**  
CEO and President  
Charismatic Exchange, Inc.,  
Lakeside Center  
2620 Regatta Drive, Suite 102  
Las Vegas, NV 89128

On information and belief, I, Jesse White, Secretary of State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. Respondent Angelina Lazar ("Lazar") is the founder, President, Secretary, Treasurer, Director and Corporate Executive Officer of Respondent Charismatic Exchange, Inc. Lazar's last known residential address is 8635 West Sahara Ave., #414, Las Vegas, NV 89117.

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2. Charismatic Exchange, Inc. ("Charismatic" collectively with Lazar as "Respondents") is a Nevada Corporation, in default since May of 2006 that, until December of 2005, did business from 30 South Wacker Drive, 22<sup>nd</sup> Floor, Chicago, Illinois. Charismatic also does business as Charismatic Holdings Co., Ltd., an unregistered entity.
3. Its website and promotional literature lists its address as 3960 Howard Hughes Parkway, Suite 500, Las Vegas, Nevada. Charismatic's current addresses are 2620 Regatta Drive, Suite 102, Lakeside Center, Las Vegas, Nevada, and, as of September 28<sup>th</sup>, 2006, 7469 W Lake Mead Bl. 200 in Las Vegas, Nevada.

**THE SCHEME**

4. During the summer of 2005 Respondents placed advertisements in Chicago-land newspapers offering their "investment banking services" to the public.
5. At least one Illinois resident ("Investor") called for information regarding the offer in response to which Respondents sent Investor their Offering Circular.
6. Respondents' "investment banking services" consisted of offering and selling Charismatic Investment Contracts ("Contracts"), with a with a 20% monthly return on the principal guaranteed. The Offering Circular stated in pertinent part:

*Charismatic Exchange, Inc.* is an intimate and exclusive Trading Company in the *Foreign Exchange* market which deals primarily with high net worth investors and entrepreneurs...In order for us to regularly trade more foreign currencies in the FOREX market we have formed a lucrative and intimate business opportunity by accepting loans from our partnering Investors where we offer them a lucrative 20% R.O.I. per month. Such a return can only be offered in the high risk, high yield arena of foreign exchange where our trading skills and discipline are par excellence.

*Charismatic Exchange Inc.* takes the risk on all trades and is obliged to return our clients as promised a 20% return per month until either party wishes to terminate the Agreement. *Charismatic Exchange, Inc.* covers the cost of all trades, including interest when sitting in overnight trades (when swing or position trading) and takes all risks while trading while affording our Lenders a passive 20% monthly return no matter what the results we experience that month.

I look forward to personally working with you in our mutually lucrative business endeavor. Please feel free to call or email me as the need arises. I take great pride in letting my clients know that they are most liquid with *Charismatic Exchange, Inc.* while being afforded the most lucrative returns. This gives my clients a great peace of mind to know that they can gain access to their funds without any penalty while lending *Charismatic Exchange, Inc.* the image we have earned of perfecting our work and being fair, gracious and generous.

(emphasis, italics and grammar in original)

7. The Offering Circular also contained charts informing prospective investors how much certain investment amounts would be worth at the end of various time periods, for instance; a \$20,000.00 investment into Lazar's company would be worth \$178,322.00 at the end of the first year if the dividend payments were rolled over into the principal.
8. On August 18, 2005, Respondents sold to at least one Illinois resident ("Investor") an Investment Contract in the amount of fifteen-thousand and twenty dollars (\$15,020.00). The terms of the Contract read:

**Charismatic Exchange, Inc.** hereby agrees, under corporate and legal responsibility, to pay **Lender** or assigns a twenty percent (20%) monthly return on the Lender's principle to be utilized by **Charismatic Exchange, Inc.** This will continue with extension until termination of the transaction unless either party expresses the desire to discontinue further transactions at which point the principle with said interest is to be returned to **Lender** at the end of the current month. This is a contingent fee based upon the transaction occurring. If the loan is no longer needed by **Charismatic Exchange, Inc.**, the Company will notify **Lender** that the purposes of the Loan have been met and the principle with interest will be returned at current month's end. Likewise, if **Lender** is in need of his/principle, he/she will issue a notice to **Charismatic Exchange, Inc.** where **Charismatic Exchange, Inc.** will be responsible to return the full principle with accrued interest within 2-4 weeks from notice.

(emphasis, italics and grammar in original)

9. On August 26, 2005 Respondents deposited Investor's \$15,020.00 into Charismatic's bank account with other investors' funds (the "Pooled Account"). The Pooled Account was opened by, and solely controlled by, Lazar.
10. Lazar, however, used the Pooled Account to fund her lavish lifestyle, rather than for its purported purpose: trading in the FOREX market, which in turn was supposed to generate the promised 20% monthly return.
11. Throughout the fall of 2005 and into the winter, Investor called Respondent Lazar to demand the payment of his principal and interest, according to the terms of the Investment Contract.
12. Instead, on December 9, 2005, Lazar offered to exchange Investor's balance owed for forty-seven five hundred dollars (\$47,500.00) worth Charismatic Exchange, Inc. shares, but Investor continued to demand payment of his principal and interest, according to the terms of the Investment Contract.
13. Throughout January and February of 2006 Investor continued to call Respondent Lazar to demand an explanation on how and when Respondents would pay him his \$47,500.00.
14. Respondents refused to answer Investor's calls or inquiries.

15. On March 2, 2006, Lazar sent Investor, and other investors, a mass-mailing that stated in pertinent part:

“You will be paid out now very shortly...  
In a matter of days....”

....

“I am here!  
-Nearing completion.  
*Wait.*  
That is all you can do now is *wait*  
and there is nothing more for anyone to do.  
But *do so* with faith.  
Sometimes, waiting is the toughest, I empathize.  
But let us pick up the lesson then – *whatever it is....*  
And, forgive me for saying, but it just might be our greatest lesson  
ever..... ☺”

(italics, grammar and emoticon in original)

16. On or about April 4, 2006, Lazar sent Investor, and other investors, another mass mailing criticizing them for calling her, and stating, among other things:

“I can only be truthful, and tell you where we are at. I work diligently to arrive at our payouts. God has never let me down and I don't plan on letting you down. In fact, I am just sure that God is blessing me *so* with the results I cannot speak of now as a result of my taking care of you as I should. I know you cannot see that now, and that is alright. I promise you will. *You will. ...*

So, all I can say is: do not even impose upon yourselves the desire to stress yourself out about anything I am not concerning you with. Updates-shmupdates is how I see it: when what I need to do is simply get you your money, and the rest, leave up to me to handle, the hows, the whys, the ways – because that is least stressful for you and for me.”

...

I pray for each of you that God heal you and give you such a divine peace until I can place so gently and lovingly your money in your hands, which will bless me all the more, *I know*, So, you cannot want it more than I. I will not fail you, because God *never* fails me. I do not accept a failing mindset, nor failing ways. **I consecrate everything I do to God**, resolving all my trials and tribulations, and come out cleansed and blessed beyond measure! I wish and know the same will be for you...”

...

(emphasis and italics and in original)

17. To date, Respondents Lazar and Charismatic have failed and refused to pay Complainant his \$47,500.00 due, according to the terms of the Investment Contract.
18. The activities described in paragraphs 4 through 8, above, constitute the offer and sale of an investment contract, and therefore a security, as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et seq.*] (the "Act").

#### **UNREGISTERED SALE OF SECURITIES**

19. Section 5 of the Act requires all securities offered or sold in Illinois to be registered with the Secretary of State.
20. Section 12.A of the Act states that it shall be a violation of the provisions of the Act to offer or sell any security except in accordance with the provisions of this Act.
21. Section 12.D of the Act states that it shall be a violation of the provisions of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or any regulation made by the Secretary of State.
22. Respondents' Investment Contracts described in paragraphs 4-18, above, were not registered with the Secretary of State, and therefore, Respondents have violated Sections 12.A and 12.D of the Act.

#### **FRAUD IN THE SALE OF SECURITIES**

23. Section 12.F of The Act states that it shall be a violation of the provisions of this Act for any person to, "engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof." 815 ILCS 5/12.F.
24. Section 12.G of the Act states that it shall be a violation of the provisions of this Act for any person to, "obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading." 815 ILCS 5/12.G.
25. Section 12.I of the Act states that it shall be a violation of the provisions of this Act for any person to, "employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly. 815 ILCS 5/12.I.
26. By virtue of the conduct described in paragraphs 4-18, Respondents violated Sections 12.F, 12.G, and 12.I of the Act.

**REFUSAL TO RESPOND TO SUBPOENAS**

27. Pursuant to the authority granted in Sections 11.D of the Act the Illinois Securities Department ("Department") issued Respondents Lazar and Charismatic two subpoenas requiring complete responses to the information requested therein.
28. A first subpoena was deposited in the United States mail, (certified mail, return receipt requested) on June 21, 2006 and was addressed to Respondents at Lazar's personal residence located at 8635 West Sahara Ave., suite 414, Las Vegas, Nevada, 89117. Respondent Lazar was served the subpoena on June 24, 2006; the Response was due July 8, 2006.
29. A second subpoena was deposited in the United States mail, (certified, return receipt requested) on July 6, 2006, and was addressed to Respondents at Charismatic's business address of Lakeside Center, 2620 Regatta Drive, Suite 102, Las Vegas, Nevada, 89128. July 25, 2006. Respondents were served the subpoena on July 10, 2006; the Response was due July 25, 2006.
30. Respondents Lazar and Charismatic failed and refused to respond to the duly served subpoenas by their respective due dates and they continue to fail and refuse to respond.
31. That Section 12.D of the Act provides, inter alia, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
32. That by virtue of the foregoing, Respondents have violated Section 12.D of the Act.

**PROHIBITION**

33. 11.F(2), inter alia, of the Act states that the Secretary of State may temporarily prohibit or suspend, by an order effective immediately, the offer or sale of securities if the Secretary of State shall in his or her opinion, based on credible evidence, deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors.
34. This action is necessary to prevent imminent losses to existing investors and to protect the public as the above described evidence shows that Respondents Angelina Lazar and Charismatic Exchange, Inc., have committed fraud in the sale of securities and continue to do business from the State of Nevada

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the granted by Section 11.F of the Act, Respondents Angelina Lazar and Charismatic Exchange, Inc. are **PROHIBITED** from offering or selling securities in or from this State until the further Order of the Secretary of State.

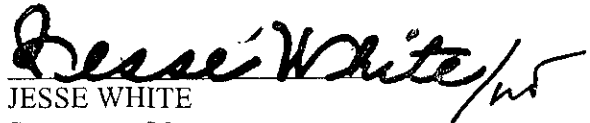
NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department,

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69 W. Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 29<sup>th</sup> day of September 2006.



JESSE WHITE  
Secretary of State  
State of Illinois

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