

**STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION**

TO: Metallic Blue Development LLC
9465 Wilshire Boulevard, Suite 300
Beverly Hills, California 90212

Brian Dozier
4215 Mary Ellen Avenue, Apartment 203
Studio City, California 91604

**DESIST AND REFRAIN ORDER
(For violations of Sections 25401 and 25403 of the Corporations Code)**

The Complainant, the Commissioner of Financial Protection and Innovation (“Commissioner”) of the Department of Financial Protection and Innovation (“Department”), is informed and believes, and based on such information and belief, finds as follows:

I. Introduction

1. At all relevant times, Metallic Blue Development LLC (“Metallic Blue”) was a California limited liability company located in Beverly Hills, California. Metallic Blue was registered with the California Secretary of State on or about January 24, 2018.

2. At all relevant times, Brian Dozier (“Dozier”) was a resident of California and a control person for Metallic Blue.

II. Factual Background

3. From approximately October 2018 through January 2022, Metallic Blue offered and sold investment contracts with titles such as “Investment Agreement – Profit Sharing” and “Investment Commitment Agreement” to California investors. These investment contracts were securities subject to regulation by the Commissioner.

4. The purpose of Metallic Blue’s investment contracts was to raise funds for renovation and rehabilitation projects involving residential properties it owned or would acquire in the Los Angeles area. Once the projects were completed, Metallic Blue would sell or refinance them at a profit (i.e. “fix-and-flip” real estate transactions).

1 5. Metallic Blue used salespeople working as independent contractors to advertise and
2 sell the investment contracts. Metallic Blue provided information about the purchase, rehab, and
3 sale of each property to its salespeople, who then relayed this information to investors via emails,
4 presentations, and slide decks about the properties. One of Metallic Blue’s prominent salespeople
5 was Sief Khafagi and his company, Scoutpads LLC, which are the subject of a prior Order issued
6 by the Commissioner on October 17, 2024 relating to Metallic Blue’s scheme.

7 6. Metallic Blue, by and through its salespeople, advertised and sold the investment
8 contracts successively, encouraging investors to reinvest their funds into new properties once a
9 property was sold or refinanced. Therefore, Metallic Blue’s representations about each property
10 were relevant to its securities offerings in later properties. Indeed, many investors decided to
11 reinvest their capital with Metallic Blue based on the apparent success of their prior investments.

12 7. Beginning around October 2018 through June 2021, Metallic Blue’s investment
13 contracts and returns were tied to individual properties.

14 8. Around June 2021, Metallic Blue created a series of real estate funds and its
15 salespeople began encouraging investors to reinvest their funds from outstanding individual
16 projects into the funds. Investment contracts for the funds would be tied to all properties contained
17 in the fund, rather than to individual properties. These new investment contracts gave investors a
18 12% preferred return.

19 9. Many investors signed Private Placement Memorandums and new investment
20 contracts with Metallic Blue called “Investment Commitment Agreements” to invest or reinvest
21 their capital into the funds.

22 10. Altogether, from October 2018 through January 2022, Dozier and Metallic Blue
23 offered and sold investment contracts to at least 340 investors worth over \$34 million for projects
24 at over 20 different properties. Many investors reinvested in Metallic Blue’s scheme repeatedly.

25 11. In early 2022, Sief Khafagi and Scoutpads LLC left their role as “investor relations”
26 for Metallic Blue. At that point, Dozier and Metallic Blue began communicating directly with
27 investors, and promised to provide updates on an investor portal and in a quarterly webinar.
28 However, investors soon began to have extreme difficulty contacting Metallic Blue about their

1 investments. Since investing with Metallic Blue, many investors lost most or all of their
2 investment funds.

3 12. In November 2022, a group of creditors filed an involuntary bankruptcy petition
4 against Metallic Blue (In re Metallic Blue Development LLC, No. 2:22-bk-16483-ER (Bankr.
5 C.D.Cal. 2022))(the Bankruptcy).

6 13. In the offer and sale of its investment contracts, Dozier and Metallic Blue made
7 untrue statements of material fact and omitted material facts that were necessary to be disclosed to
8 make other statements not misleading. Dozier and Metallic Blue did this both directly in the
9 contracts and also by and through its salespeople, including but not necessarily limited to the
10 following:

11 a. Metallic Blue misrepresented that it owned certain properties and failed to
12 disclose that it only owned options to acquire those properties. For example, beginning in or
13 around June 2020, Metallic Blue sold investment contracts for a property project at 12136 Keswick
14 Street, North Hollywood, California 91605 (Keswick), which was supposed to be completed by
15 early 2022. Metallic Blue represented to investors by and through its salespeople that it bought
16 Keswick for \$3.4 million, and signed investment contracts that stated that Metallic Blue was the
17 “sole proprietor in conducting business, negotiating a sale, rehabs, and/or any other business”
18 related to Keswick. However, Metallic Blue never owned or purchased Keswick. Instead, the
19 property was owned by the Keswick Trust, which subsequently deeded the property to The
20 Akselrod Bypass Trust in January 2025, which then sold the property the same day. In 2023, in the
21 Bankruptcy, Dozier testified under oath that Metallic Blue only acquired an *option* to buy Keswick,
22 and that it never exercised that option. This was the first time that investors learned that Metallic
23 Blue never owned Keswick. Metallic Blue’s use of options carried additional risk that was not
24 conveyed to investors, and resulted in actual loss or harm to investors who have been unable to
25 recover losses against the properties they believe they were investing in.

26 b. Metallic Blue misrepresented that it successfully sold or disposed of certain
27 properties to increase investor confidence and encourage investors to reinvest funds into new
28 properties in the scheme. For example, in early 2020, Metallic Blue, through salespeople, claimed

1 it bought and “pre-sold” two properties for rehab projects at 4617 Galendo Street, Woodland Hills,
2 California 91364 (Galendo) and 20817 Rodax Street, Winnetka, California 91306 (Rodax), and
3 offered and sold investment contracts in both properties. In September 2020, Metallic Blue
4 reported through salespeople that the projects were completed on time and above expectations,
5 shared purchase and sale prices, and told investors they could immediately reinvest their capital
6 and profits into new property projects. Many did. However, Metallic Blue never owned the Rodax
7 and Galendo properties during this period, nor did it sell or dispose of either property in September
8 2020. Instead, in December 2020, the owner of the properties since 2016 deeded both to another
9 Dozier-operated company called Plentywood Springs LLC as a “bona fide gift”. In March 2022,
10 Plentywood Springs LLC secured loans against both properties, and both were lost in foreclosure
11 sales in May 2023.

12 c. Metallic Blue and Dozier failed to disclose that in 2007, Dozier was sued for
13 breach of contract and fraud related to substantially similar real estate dealings (Complaint,
14 Patronette v. J.N.N.S., LLC, et. al. Cal. Superior (2007)(No. BC372637))). The plaintiff alleged
15 that Dozier convinced her to make a loan that would be used to improve real properties and would
16 be secured by those properties, and that she would also share in profits of a sale of the properties.
17 The plaintiff further alleged that the loan funds were not actually used for the stated purpose, and
18 that Dozier did not actually own the subject properties. The plaintiff obtained a default judgment
19 over Dozier, and in late 2019, while Metallic Blue was offering and selling the investment
20 contracts described in this Order, Dozier paid the plaintiff to satisfy the judgment.

21 d. Metallic Blue and Dozier failed to disclose that in 2012, Yebo Mortgage,
22 Inc., a California company, filed for Chapter 7 bankruptcy (In re Yebo Mortgage, Inc., No. 2:12-
23 bk-24743-TD (Bankr. C.D.Ca. 2012)). Brian Dozier was the CEO for Yebo Mortgage, Inc. The
24 bankruptcy was dismissed without discharge due to Dozier’s failure to appear at a Rule 341(a)
25 creditor’s meeting.

26 e. Metallic Blue and Dozier failed to disclose that in March 2000, Dozier filed
27 for Chapter 13 bankruptcy (In re Brian Dozier, No. SV 00-12597(Bankr. C.D.Ca. 2000)).
28

(For Violations of California Corporations Code sections 25401 and 25403)

The Commissioner is authorized to administer and enforce the provisions of the Corporate Securities Law of 1968 (Cal. Corp. Code § 25000 et seq.) and the regulations promulgated thereunder at Title 10 of the California Code of Regulations. Based on the foregoing findings, the Commissioner is of the opinion that the investment contracts described above are securities under the Corporate Securities Law of 1968 (Cal. Corp. Code § 25000 et seq.), thus subject to regulation by the Commissioner. The Commissioner is of the further opinion that Brian Dozier and Metallic Blue Development LLC offered or sold these securities by means of written communications that included untrue statements of material fact and omissions of material fact necessary to make the statements, in light of the circumstances under which they were made, not misleading, in violation of California Corporations Code section 25401.

Further, the Commissioner is of the opinion that Brian Dozier and Metallic Blue Development LLC have violated Corporations Code section 25401 by knowingly directly or indirectly controlling or inducing or providing substantial assistance to its salespeople to violate Corporations Code section 25401 within the meaning of Corporations Code section 25403, subdivisions (a) and (b). The Commissioner is also of the opinion that Brian Dozier and Metallic Blue Development LLC have violated Corporations Code section 25403(c) by violating Corporations Code section 25401 through or by its salespeople within the meaning of Corporations Code section 25403, subdivision (c).

Pursuant to California Corporations Code section 25532, subdivision (c), Brian Dozier and Metallic Blue Development LLC, and their successors and assigns are hereby ordered to desist and

1 refrain from offering or selling any security in the State of California by means of any written or
2 oral communication which includes an untrue statement of a material fact or omits to state a
3 material fact necessary to make the statements, in light of the circumstances under which they were
4 made, not misleading. This Order is necessary and in the public interest for the protection of
5 investors and is consistent with the purposes, policies, and provisions of the Corporate Securities
6 Law of 1968.

7
8 Dated: June 9, 2025

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



By:

MARY ANN SMITH
Deputy Commissioner
Enforcement Division