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

**TO: James G. Berghuis**  
**Berghuis National Lending, Inc.**  
**Berghuis Properties, Inc.**  
**Berghuis Mortgage Corporation**  
**2443 Fair Oaks Blvd. Suite 520**  
**Sacramento, California 95825**

**and**

**2937 Sierra Mills Lane**  
**Sacramento, California 95864**

**DESIST AND REFRAIN ORDER**

**(For violations of sections 25110 and 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. At all relevant times, James G. Berghuis (“Berghuis”) was holding himself out as President and CEO of Berghuis National Lending, Inc., Berghuis Properties, Inc. and Berghuis Mortgage Corporation doing business at 4206 Power Inn Road, Sacramento, California 95826.
2. At all relevant times, Berghuis National Lending, Inc. was a company doing business at 4206 Power Inn Road, Sacramento, California 95826.
3. At all relevant times, Berghuis Properties, Inc. was a company doing business at 4206 Power Inn Road, Sacramento, California 95826.
4. At all relevant times, Berghuis Mortgage Corporation was a company doing business at 4206 Power Inn Road, Sacramento, California 95826.
5. Beginning in or about April 2005 through at least December 2006, Berghuis offered and sold securities in the State of California in the form of promissory notes and investment contracts to

1 California investors. The purpose of the offering was to raise money to fund “bridge loans” and real  
2 estate loans secured by deeds of trust on specific real properties located in California.

3 6. These securities were offered or sold in the State of California in issuer transactions. The  
4 Department has not issued a permit or other form of qualification authorizing any person to offer or  
5 sell these securities in this State.

6 7. In connection with these offers and sales, Berghuis misrepresented or failed to disclose to  
7 investors some or all of the following material facts:

8 a) On or about July 2005, Berghuis used over \$275,000 of funds received from new investors  
9 to pay off debts to prior investors;

10 b) That their investment was secured by a deed of trust on the property when in fact no deed  
11 was recorded;

12 c) That they would receive 8-10% return plus principle back with in 60-90 days and this did  
13 not occur.

14 Based upon the foregoing findings, the California Corporations Commissioner is of the  
15 opinion that the securities offered and sold in the form of promissory notes and investment contracts  
16 by James G. Berghuis, Berghuis National Lending, Inc., Berghuis Properties, Inc. and Berghuis  
17 Mortgage Corporation are securities subject to qualification under the California Corporate Securities  
18 Law of 1968 and are being or have been offered or sold without being qualified in violation of  
19 Corporations Code section 25110. Pursuant to section 25532 of the Corporate Securities Law of  
20 1968, James G. Berghuis, Berghuis National Lending, Inc., Berghuis Properties, Inc. and Berghuis  
21 Mortgage Corporation are hereby ordered to desist and refrain from the further offer or sale of  
22 securities in the State of California, including but not limited to the promissory notes and investment  
23 contracts offered and sold by James G. Berghuis, Berghuis National Lending, Inc., Berghuis  
24 Properties, Inc. and Berghuis Mortgage Corporation unless and until qualification has been made  
25 under the law or unless exempt.  
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1 Further, the California Corporations Commissioner is of the opinion that the securities offered  
2 and sold in the form of promissory notes and investment contracts by James G. Berghuis, Berghuis  
3 National Lending, Inc., Berghuis Properties, Inc. and Berghuis Mortgage Corporation were offered or  
4 sold in this State by means of written or oral communications, which included an untrue statement of  
5 a material fact or omitted to state a material fact necessary in order to make the statements made, in  
6 light of the circumstances under which they were made, not misleading, in violation of section 25401  
7 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the Corporate Securities Law  
8 of 1968, James G. Berghuis, Berghuis National Lending, Inc., Berghuis Properties, Inc. and Berghuis  
9 Mortgage Corporation are hereby ordered to desist and refrain from offering or selling or buying or  
10 offering to buy any security in the State of California, including but not limited to promissory notes  
11 and investment contracts, by means of any written or oral communication which includes an untrue  
12 statement of a material fact or omits to state a material fact necessary in order to make the statements  
13 made, in light of the circumstances under which they were made, not misleading.

14 This order is necessary, in the public interest, for the protection of investors and consistent  
15 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

16 Dated: March 15, 2010  
17 Sacramento, California

18 PRESTON DUFAUCHARD  
19 California Corporations Commissioner

20 By: \_\_\_\_\_  
21 ALAN S. WEINGER  
22 Deputy Commissioner  
23 Enforcement Division  
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