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

TO: Equishare Properties, LLC
2030 Main Street, Suite 1300
Irvine, California 92614

Robert D. Scott
2030 Main Street, Suite 1300
Irvine, California 92614

Omenicus Properties, LLC
2030 Main Street, Suite 1300
Irvine, California 92614

Natalia Scott dba Association of Real Estate Owners (AOREO) and Equishare Properties
2030 Main Street, Suite 1300
Irvine, California 92614

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

The California Corporations Commissioner finds that:

1. Equishare Properties, LLC, (“Equishare LLC”), is a Limited Liability Company, incorporated in the State of Delaware with a principal place of business at 2030 Main Street, Suite 1300, Irvine, California 92614.
2. Robert D. Scott is the president and owner of Equishare LLC.
3. Omenicus Properties, LLC, (“Omenicus”), is a Limited Liability Company incorporated in the State of New York with its principal place of business at 2030 Main Street, Suite 1300, Irvine, California 92614, and a mailing address at 3305 West Spring Mountain Road, #60, Las Vegas, Nevada 89102.

1 4. Robert D. Scott is the president and owner of Omenicus.

2 5. Natalia Scott is the wife of Robert D. Scott and does business as the Association of Real
3 Estate Owners (“AOREO”) and Equishare Properties (“Equishare Properties”).

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5 6. In or about 2001, Equishare LLC, Equishare Properties, Omenicus and AOREO entered into
6 written investment contracts selling interests in “Network REPG Agreements” which involved
7 forming “real estate purchasing groups” (“REPGs”) for the purchase of certain multi-unit residential
8 rental real estate located in New York and California (“the Investment Contracts”). The Network
9 REPG Agreements state that by purchasing “units” of the REPGs in the amount of \$2,500 per unit up
10 to a total of \$250,000 per REPG, the investor would become a “General Partner” of each REPG and
11 that the partnerships are formed pursuant to the terms of conditions of the “Agreement and the
12 Summary of the Partnership Agreement”(“Partnership Agreement”). The Network REPG
13 Agreements also state, “I understand that I am a General Partner, and as such, have absolute right to
14 vote on all matters concerning the Partnership and will become involved in the day-to-day
15 management of the Partnership and/or in the decision making in accordance with the terms of the
16 Partnership Agreement.” The Investment Contract provided for an initial membership fee of \$200
17 and monthly dues of \$120 per unit purchased.

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20 7. As part of the terms of the Partnership Agreement, Equishare LLC, Equishare Properties,
21 Omenicus and AOREA agreed to create Limited Liability Companies to purchase properties for each
22 REPG with the investment monies and that “[t]itle to assets acquired by the Partnership, including the
23 License of rights to other Licenses will be held in the name of the Partnership. The partners will
24 execute, file and record such documents as may be necessary to reflect the Partners’ ownership of the
25 Partnerships’ assets in such public offices in such states as may be Required.” The Partnership
26 Agreement also specified an “initial management set up fee” in the amount of 25% of the
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1 capitalization of the REPG to be paid to the “Managing Partner,” Omenicus Inc., in addition to 10%
2 of the REPG earnings, and that “The General Partner may not, without prior written consent of a
3 majority of the Partners: (a) Sell, transfer, or otherwise dispose of a License, Business or Property”.

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5 8. Equishare LLC, Equishare Properties, Omenicus, AOREO, Robert D. Scott and Natalia Scott
6 did not in fact acquire and maintain the real properties pursuant to the terms of the REPG Agreements
7 in the name of the partnerships, and transferred title to some of the properties to Robert D. Scott and
8 Natalia Scott as individuals and sold properties without the prior written consent of a majority of the
9 partners. Further, each Partner of the REPGs did not vote on all matters concerning the Partnership
10 and were not involved in the day-to-day management of the Partnership and/or in the decision
11 making in accordance with the terms of the Partnership Agreement.

12 9. The Department of Corporations has not issued any permit, license or other form of
13 authorization, approval or qualification to allow any person to offer and sell investment contracts in
14 the REPGs, Equishare LLC, Equishare Properties, Omenicus or AOREO.

15 Based upon the foregoing findings, the California Corporations Commissioner is of the
16 opinion that the investment contracts in the REPGs, Equishare LLC, Equishare Properties, Omenicus
17 and AOREO constitute securities, which are subject to qualification under the California Corporate
18 Securities Law of 1968, and that these securities have been and are being offered and sold without
19 being qualified.

20 The California Corporations Commissioner is of the further opinion that the investment
21 contracts in the REPGs, Equishare LLC, Equishare Properties, Omenicus and AOREO have been and
22 are being offered and sold in this State by means of written and oral communications, which include
23 untrue statements or omissions of material facts, in violation of section 25401 of the California
24 Corporate Securities Law of 1968.

25 Pursuant to Corporations Code section 25532, Equishare Properties, LLC, Omenicus
26 Properties, LLC, Robert D. Scott, and Natalia Scott dba Equishare Properties and the Association of
27 Real Estate Owners (AOREO) are hereby ordered to desist and refrain from the further offer or sale
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1 in the State of California of investment contracts in REPGs, Equishare Properties, LLC, Equishare
2 Properties, Omenicus Properties, LLC and the Association of Real Estate Owners, unless and until
3 qualification has been made under the California Corporate Securities Law.

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5 Pursuant to Corporations Code section 25532, Equishare Properties, LLC, Omenicus
6 Properties, LLC, Robert D. Scott, and Natalia Scott dba Equishare Properties and the Association of
7 Real Estate Owners (AOREO) are hereby ordered to desist and refrain from the further offer or sale
8 in the State of California of investment contracts in REPGs, Equishare Properties, LLC, Equishare
9 Properties, Omenicus Properties, LLC and the Association of Real Estate Owners by means of any
10 written or oral communication which includes untrue statements or omissions of material facts.

11 This Order is necessary, in the public interest, for the protection of investors and consistent
12 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

13 Dated: April 21, 2005
14 Los Angeles, California

15 WAYNE STRUMPFER
16 Acting California Corporations Commissioner

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18 By _____
19 ALAN S. WEINGER
20 Acting Deputy Commissioner
21 Enforcement Division
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