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

TO: Steven Edward Shapiro
3210 Dulzura Drive
Hacienda Heights, California 91745

P.O. Box 5219
Hacienda Heights, California 91745

DESIST AND REFRAIN ORDER
(For violations of section 25230 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Steven Edward Shapiro (“Shapiro”) maintained a business mailing address of P.O. Box 5219, Hacienda Heights, California 91745.
2. Beginning on or about February 7, 2006, Shapiro provided investment advice for a fee to investors pursuant to a written agreement for “financial advice/management”. Investors were billed for such investment advice at a billing rate of up to \$200.00 per hour, excluding out-of-pocket expenses such as telephone calls, postage, and photocopying. Shapiro also charged investors finance charges of 1.5% per month of the unpaid balance, with a minimum of ten (10) dollars, in the event payments were not made within ten (10) days of presentation of the bill. Shapiro also reserved the right to require retainers for services.

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1 3. Shapiro advised investors for such compensation as to the value of securities or as to the
2 advisability of investing in, purchasing or selling securities in various investment opportunities,
3 including but not limited to, private placements, laundry facilities (specifically those offering about a
4 25% return), real estate investment trusts (REITs), real estate, stocks, and short-term government
5 securities. In so doing, investors were purportedly advised according to their risk tolerance and
6 cash-flow profile.

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8 4. Investors were also advised by Shapiro to deposit their monies intended for investment with
9 third parties, including UBS Financial, while deciding among which investment opportunities they
10 wanted to invest.

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12 5. The investment advice provided by Shapiro to investors was conducted in the state of
13 California. The California Corporations Commissioner has not provided a certificate to Shapiro to
14 conduct business as an investment adviser in this state.

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16 6. Based upon the foregoing findings, the California Corporations Commissioner is of the
17 opinion that Steven Edward Shapiro engaged in unlicensed investment adviser activity without
18 having first applied for and secured from the Commissioner a certificate, then in effect, authorizing
19 him to do so in violation of section 25230 of the Corporate Securities Law of 1968. Pursuant to
20 section 25532 of the Corporate Securities Law of 1968, Steven Edward Shapiro is hereby ordered to
21 desist and refrain from advising others, either directly or through writings, as to the value of
22 securities or as to the advisability of investing in purchasing or selling securities for compensation
23 unless and until he has applied for and secured from the Commissioner a certificate, then in effect,
24 authorizing him to act in that capacity, or unless exempt. This Order is necessary, in the public

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1 interest, for the protection of investors and consistent with the purposes, policies, and provisions of
2 the Corporate Securities Law of 1968.

3 Dated: March 13, 2007
4 Sacramento, California

PRESTON DuFAUCHARD
California Corporations Commissioner

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8 By _____
9 Sharon A. Lueras
10 Lead Counsel
11 Enforcement Division
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