STATE OF CALIFORNIA

BUSINESS, TRANSPORTATION AND HOUSING AGENCY DEPARTMENT OF CORPORATIONS

TO: Patrick B. Kirkland, President and Owner Heather Showalter, Sales Executive Tropical Village, Inc. 4700 Millenia Blvd., Suite. 340 Orlando, Florida 32839

Phone: 407-354-0004 Fax: 407-354-1112

DESIST AND REFRAIN ORDER

(For violations of section 25110 of the Corporations Code)

The California Corporations Commissioner finds that:

- 1. Tropical Village, Inc. is a company which maintains its office at 4700 Millenia Blvd., Suite 340, Orlando, Florida 32839. Patrick B. Kirkland is its president and owner. Heather Showalter is its sales executive. The company maintains a website at www.tropicalvillage.com.
- 2. During the period of at least August, 2004 to the present, Tropical Village, Inc. has been offering investments by means of general solicitation in the form of advertisements in publications including Money Magazine and the Los Angeles Times. The advertisements offer projected returns of 29% to 35% from purchase and rental of "New Investment Senior Triplexes" at complexes in Florida, Georgia and Texas, including Pelican Bay Club in Palm Bay, Florida, Summerhill in Atlanta, Georgia, and Sunset Bay Club in New Port Richey, Florida.

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3. Prospective investors are told that the purchase price of each senior triplex is \$733,000 in Florida and Georgia and \$795,000 in Texas. But prospective investors in the Pelican Bay Club in Palm Bay, Florida, are promised that for just ten percent of that amount, or \$73,300, they can purchase a senior triplex that will be managed and rented for them by a professional management company. Investors are promised that:

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The staff will be responsible for advertising, showing potential residents the available bedrooms, and soliciting contractors to repair and maintain the interiors, exteriors, and grounds. Each owner will not be required to be involved in the day-to-day operations of the triplex. The book keeping [sic] will be handled by a bookkeeping company, which will be responsible for collecting rent, paying bills and remitting checks to the investor(s). This is absentee ownership at its best!

4. Prospective investors in Pelican Bay Club in Palm Bay, Florida are provided a one-page "estimated cash flow" projecting an annual net estimated profit of \$24,537.00, from each senior triplex investment following mortgage loan, expense, and management expenses. Prospective investors are promised that they will receive:

a monthly report detailing the expenses with his or her triplex with the check for the net fee income for that period. We believe your investigation will lead you to conclude that this is a **GREAT OPPORTUNITY!**

- 5. Tropical Village, Inc. is not registered with the California Secretary of State as a company doing business in the state of California.
- 6. The Department of Corporations has not issued a permit or other form of qualification authorizing Tropical Village, Inc. to offer investments relating to the ownership and operation of senior triplexes.

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Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that the senior triplex investments offered by Tropical Village, Inc., Patrick B. Kirkland and Heather Showalter constitute securities in the form of investment contracts subject to qualification under the California Corporate Securities Law of 1968 which have been and are being offered without being qualified, in violation of California Corporations Code section 25110. Pursuant to section 25532 of the Corporate Securities Law of 1968, Tropical Village, Inc., Patrick B. Kirkland and Heather Showalter are hereby ordered to desist and refrain from the further offer or sale in the State of California of securities in the form of senior triplex investments unless and until qualification has been made pursuant to the Corporate Securities Law of 1968 or unless exempt. This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968. Dated: November 19, 2004 Sacramento, California WILLIAM P. WOOD California Corporations Commissioner By ALAN S. WEINGER Supervising Counsel