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

**TO:** Richard Austin Wagner  
Ascending Growth Properties LLC  
9107 Wilshire Blvd., Ste. 450-A  
Beverly Hills, California 90210

**DESIST AND REFRAIN ORDER**

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

The California Corporations Commissioner (“Commissioner”) finds that:

1. At all relevant times herein, Ascending Growth Properties LLC (“AGP”) maintained a Davinci virtual office address at 9107 Wilshire Boulevard, Suite 450-A, Beverly Hills, California, 90210.
2. At all relevant times, AGP was registered as a California limited liability company with the California Secretary of State.
3. At all relevant times, Richard Austin Wagner (“Wagner”) held himself out as the manager and president of AGP.
4. Beginning in at least or about April 2011, AGP advertised its real estate investment opportunities through a company website located at [www.agrowthproperties.com](http://www.agrowthproperties.com). The AGP website represents that the company has a “highly skilled team of real estate and finance experts” who seek to acquire “prime multifamily properties below current market values that have existing cash flow from rental income and large appreciation potential.” Prospective investors interested in “attractive levels of dividends” are invited to submit an online form to request investment information.

1 5. Beginning as early as April 2011, AGP obtained monies from residents of California and  
2 other states through general solicitation via cold-call telemarketing by sales agents for AGP,  
3 including but not limited to AGP sales agent Charlotte Caron (“Caron”).

4 6. AGP recruited its sales agents through Internet job postings stating: “Do you have a great  
5 phone voice? . . . We are looking for individuals who have done phone sales before and are willing to  
6 learn. You will be talking to our database of investor prospects and offering them some information  
7 about our company.” Interested job applicants are directed to call (323) 372-1230, which is AGP’s  
8 main office number.

9 7. After prospective investors are cold-called by an AGP sales agent, they are mailed the AGP  
10 Private Placement Memorandum dated July 1, 2010.

11 8. The AGP Private Placement Memorandum offers 7.5 million of shares of limited liability  
12 company interests at a price of \$2.00 per membership interest or “share” with a minimum  
13 subscription for individual investors being 15,000 shares for a total cost of \$30,000. However, AGP  
14 permitted some investors to purchase shares for below the minimum \$30,000 investment.

15 9. The AGP Private Placement Memorandum states that the purported purpose of the sale of said  
16 securities is to pool investor funds to purchase “medium sized apartment buildings consisting of 10-  
17 30 units each” located in Southern California ranging in price between \$800,000 to \$1.8 million.  
18 Investors are told the AGP investment program has great “economic potential” because “the Los  
19 Angeles area has had some of the highest appreciation rates in the country” and “is an ideal location  
20 to acquire properties at a value price.”

21 10. On April 1, 2011, the Alabama Securities Commission issued a Cease and Desist Order to  
22 AGP, Wagner and Caron for violation of state securities laws, including unregistered offers and/or  
23 sales of non-exempt securities and general solicitation of an Alabama resident by means of cold  
24 calling by an unregistered sales agent. This order became final on May 9, 2011.

25 11. On or about May 10, 2011, in response to an inquiry from the Commissioner, AGP filed a  
26 Notice of Transaction pursuant to California Corporations Code section 25102(f) indicating that the  
27 date of the first sale of securities by AGP was August 10, 2010; however, this exemption is  
28 unavailable due to the general solicitation conduct of AGP.

1 12. These securities were offered and sold in this state in issuer transactions. The California  
2 Department of Corporations has not issued a permit or other form of qualification authorizing any  
3 person to offer and sell these securities in this state.

4 13. The offer and sale of the membership interests or shares in a limited liability company were  
5 effected by general solicitation of residents of California and other states who are neither qualified  
6 nor accredited investors.

7 14. In connection with the offer or sale of these securities, AGP and Wagner made, or caused to  
8 be made, misrepresentations of material fact or omitted to state material facts necessary in order to  
9 make the statements made, in the light of the circumstances under which they were made, not  
10 misleading. These misrepresentations and omissions included, but are not limited to:

11 a. Failing to disclose to investors that the non-qualified securities being offered in the form of  
12 membership interests or shares in AGP are not exempt from qualification, in violation of section  
13 25110 of the California Corporate Securities Law of 1968;

14 b. Failing to update the July 2010 AGP Private Placement Memorandum to disclose to  
15 investors that AGP, Wagner and Caron were issued a Cease and Desist Order by the Alabama  
16 Securities Commission on April 1, 2011; and,

17 c. Misrepresenting in the AGP Private Placement Memorandum that investor funds would be  
18 used to purchase medium-sized, multi-unit Southern California apartment buildings with purchase  
19 sales prices between \$800,000 and \$1.8 million when, in fact, investor funds were used to purchase  
20 single-family living units located in Nevada for sale prices ranging between \$35,000 to \$41,000 each.

21 Pursuant to section 25532 of the Corporate Securities Law of 1968, Ascending Growth  
22 Properties LLC and Richard Austin Wagner are hereby ordered to desist and refrain from the further  
23 offer or sale in the State of California of securities, including but not limited to interests in  
24 memberships or shares in a limited liability company, unless and until qualification has been made  
25 under said law or unless exempt. The offer and sale of such securities is subject to qualification  
26 under said law and such securities are being or have been offered for sale without first being so  
27 qualified.

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1 Further, the California Corporations Commissioner is of the opinion that the securities offered  
2 by Ascending Growth Properties LLC and Richard Austin Wagner were offered in this state by  
3 means of written or oral communications that included untrue statements of material fact or omitted  
4 to state material facts necessary in order to make the statements made, in the light of the  
5 circumstances under which they were made, not misleading, in violation of section 25401 of the  
6 Corporate Securities Law of 1968.

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

9 This order shall remain in full force and effect until further order of the California  
10 Corporations Commissioner.

11  
12 Dated: July 5, 2011  
13 Los Angeles, California

14 PRESTON DuFAUCHARD  
15 California Corporations Commissioner

16  
17 By: \_\_\_\_\_  
18 ALAN S. WEINGER  
19 Deputy Commissioner  
20 Enforcement Division  
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