

1 STATE OF CALIFORNIA
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY
3 DEPARTMENT OF BUSINESS OVERSIGHT

4 TO: Robert E. Zuckerman
5 Continental Communities, LLC
6 CLSF Management, LLC
7 Continental Life Settlement Fund, II, LLC
8 23293 Ventura Blvd.
9 Woodland Hills, CA 91364

10 **DESIST AND REFRAIN ORDER**

11 **(For violations of section 25401 of the Corporations Code)**

12 The Commissioner of Business Oversight (“Commissioner”) finds that:

- 13 1. At all relevant times herein, Continental Communities, LLC, (“Continental”), a California
14 limited liability company formed on or about September 26, 2005, was located at 23293 Ventura
15 Blvd., Woodland Hills, California 91364.
- 16 2. At all relevant times herein, CLSF Management, LLC, (“Management”), a California limited
17 liability company formed on or about January 22, 2009, was located at 23293 Ventura Blvd.,
18 Woodland Hills, California 91364.
- 19 3. At all relevant times herein, Continental Life Settlement Fund, II, LLC, (“CLSFII”), a
20 California limited liability company formed on or about February 11, was located at 23293 Ventura
21 Blvd., Woodland Hills, California 91364.
- 22 4. At all relevant times, Robert E. Zuckerman, (“Zuckerman”), a natural person, was a resident
23 of California. Zuckerman was the managing member of Continental Communities, CLSF, and
24 CLSFII. Zuckerman’s last known business address is 23293 Ventura Blvd., Woodland Hills,
25 California, 91364.
- 26 5. Beginning in or about February, 2009, and continuing thereafter, Zuckerman, Continental,
27 Management, and CLSFII offered and sold investments to at least two California investors, raising at
28 least \$600,000 by promising high and quick returns.
- 6. In CLSFII’s undated Executive Summary, Continental described its plan to sell a fifty percent

1 (50%) interest in CLSFII, divided between investors, who would become members of CLSFII. The
2 proceeds from the offering were to be used to originate life insurance policies, possibly loan funds to
3 the insureds for premium payments, and, once the non-contestability period expired (ordinarily two
4 years), acquire the policies and sell them into the life settlement market.

5 7. At all relevant times, the membership interests offered and sold by Zuckerman, Continental,
6 Management, and CLSFII were securities, as defined by Corporations Code section 25019.

7 8. In connection with the offer and sale of these securities, Zuckerman, Continental,
8 Management, and CLSFII made, or caused to be made, misrepresentations of material fact or omitted
9 to state material facts necessary in order to make the statements made, in the light of the
10 circumstances under which they were made, not misleading.

11 9. Zuckerman, Continental, Management, and CLSFII made the following specific promises in
12 its offering documents and operating agreement:

- 13 a. Returns of between 30% and 35% per annum;
- 14 b. That the sole purpose of the company would be the financing of life insurance
15 premiums, the acquisition of the policies, and the sale of the policies;
- 16 c. That the company is and will remain solvent;
- 17 d. That the company is adequately capitalized and will remain adequately capitalized;
- 18 e. That the company will not comingle funds.

19 10. The Commissioner is informed and believes that the investments did not produce returns, that
20 invested capital was not used as promised, that the company did not remain solvent, that it did not
21 remain adequately capitalized and that funds were comingled.

22 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered
23 and sold by Zuckerman, Continental, Management, and CLSFII were offered and sold in this state by
24 means of written or oral communications which included untrue statements of material fact or
25 omitted to state material facts necessary in order to make the statements made, in the light of the
26 circumstances under which they were made, not misleading, in violation of section 25401 of the
27 Corporate Securities Law of 1968.

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1 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Robert E. Zuckerman,
2 Continental Communities, LLC, CLSF Management, LLC and Continental Life Settlement Fund II,
3 LLC, are hereby ordered to desist and refrain from offering or selling or buying or offering to buy
4 any security in the State of California, including but not limited to limited partnership interests, by
5 means of any written or oral communication which includes an untrue statement of a material fact or
6 omits to state a material fact necessary in order to make the statements made, in the light of the
7 circumstances under which they were made, not misleading.

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

10 Dated: October 10, 2016
11 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

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14 By _____
15 MARY ANN SMITH
16 Deputy Commissioner
17 Enforcement Division
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