

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

TO: John D. Stewart
Cornerstone Equity Partners, LLC
Cornerstone Income Fund I, LP
1700 Soscol Avenue, Suite 20
Napa, CA 94559-2515

DESIST AND REFRAIN ORDER
(For violations of sections 25210 of the Corporations Code)

The California Corporations Commissioner finds that:

1. John D. Stewart (Stewart) is a principal of Cornerstone Equity Partners, LLC, (Cornerstone Equity) a California limited liability corporation first registered on September 18, 2003 and Cornerstone Income Fund I, LP, (Cornerstone Income Fund) a California limited partnership first registered on August 26, 2004. They have a registered business address of 1700 Soscol Avenue, Suite 20, Napa, CA 94559-2515.

2. Beginning in or about December of 2003 and until September 2005, Cornerstone Equity under the direction of Stewart used Cornerstone Income Fund money to purchase securities in the form of units in partnerships in MKA Real Estate Opportunity Fund I, LLC and MKA Real Estate Opportunity Qualified Fund I, LLC. (MKA) MKA purportedly provided capital to developers of residential real estate. Commissions were paid by MKA on the sales of those securities, which totaled in excess of \$341,186.07 to Stewart, Cornerstone Equity and Cornerstone Income Fund.

3. Stewart, Cornerstone Equity and Cornerstone Income Fund had neither applied for nor secured from the California Corporations Commissioner the certificate required to induce the purchase or sale of securities or otherwise operate in the capacity of a securities broker-dealer in the State of California at the time of the sale of the securities referred to above, nor were they exempt

1 from such licensing requirements at the time.

2 Pursuant to Corporations Code section 25532, John D. Stewart, Cornerstone Equity Partners,
3 LLC and Cornerstone Income Fund I, LP, are hereby ordered to desist and refrain from effecting any
4 transaction in, or attempting to induce the purchase or sale of, any security in this state, unless and
5 until they have applied for and secured from the Commissioner a certificate authorizing them to act in
6 that capacity or unless exempt.

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

9 Dated: June 30, 2007
10 Los Angeles, California

11 PRESTON Du FAUCHARD
12 California Corporations Commissioner

13 By _____
14 ALAN S. WEINGER
15 Lead Corporations Counsel

16
17
18
19
20
21
22
23
24
25
26
27
28