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STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT

TO: California Western Financial Investments, Inc.
George Gordon Getz
Caroline Joan Getz
3351 Cerritos Avenue
Los Alamitos, CA 90720

DESIST AND REFRAIN ORDER

(For Violations of Corporations Code section 25401)

The Commissioner of Business Oversight of the State of California (“Commissioner”) finds that:

1. At all relevant times, California Western Financial Investments, Inc. (hereinafter “CWFI”) was a California corporation, with an office located at 3351 Cerritos Avenue, Los Alamitos, California 90720.
2. CWFI was incorporated on July 24, 1978 and was licensed as a real estate broker (license number 00658654) by the Department of Real Estate (now known as the Bureau of Real Estate and hereinafter both referred to as the “BRE”).
3. With regards to CWFI, George Gordon Getz was the Chief Financial Officer and held a 50% ownership interest; and Caroline Joan Getz was the President and held a 50% ownership interest. George Gordon Getz was also licensed as a real estate broker (license number 00320739).
4. From 2005 to 2008, CWFI offered and sold more than forty different securities in California in the form of trust deed investments to the investor, ER. Examples of three of these securities transactions during 2006 and 2007 are provided below.
5. On July 26, 2006, CWFI filed an application with the former Department of Corporations (now known as the Department of Business Oversight and hereinafter both referred to as “Department”) to obtain a permit to offer and sell securities in the form of fractionalized interests in

1 promissory notes and deeds of trust that evidence loans arranged for borrowers by CWFI. The
2 permit application indicated that the securities were offered and sold to California residents by its
3 officers, George Gordon Getz and Caroline Joan Getz. On August 7, 2006, the Department issued a
4 permit to CWFI to offer and sell these securities.

5 6. On or about September 5, 2006, CWFI offered and sold a security in California to ER. This
6 security was in the form of a fractionalized interest (31.858%) in a promissory note and deed of trust
7 evidencing a loan (loan number 26416) arranged by CWFI for the borrower, Mount Washington
8 Investments, LLC. On or about November 11, 2006, CWFI offered and sold another security in
9 California to ER. This security was in the form of a fractionalized interest (42.463%) in a promissory
10 note and deed of trust evidencing a loan (loan number 26445) arranged by CWFI for the borrower,
11 Mount Washington Investments, LLC. On or about January 26, 2007, CWFI offered and sold
12 another security in California to ER. This security was in the form of a fractionalized interest
13 (50.081%) in a promissory note and deed of trust evidencing a loan (loan number 27484) arranged
14 by CWFI for the borrower, LandAmerica Properties, LLC.

15 7. In connection with the offer and sale of these securities, CWFI provided various documents
16 to ER including a subscription agreement. Page 2 of that subscription agreement provided, in part:
17 “I understand that an investment in the Loan Interests involves certain risks, including those
18 described in the Offering Circular.” The term “risks” is not clarified and made specific in each
19 subscription agreement provided to ER; thus, CWFI’s mere reference to investment “risks,” without
20 further disclosure of material facts in the offering circular, was misleading.

21 8. California Western Financial Investments also published an offering circular to disclose the
22 investment “risks” to investors in connection with the offer and sale of securities, and as referenced
23 in the subscription agreement. A copy of the offering circular was included in the application for a
24 permit from the Department. This offering circular disclosed material facts including the investment
25 risks associated with the securities offered and sold by CWFI. These investment risks are disclosed
26 in capital letters on pages 1 and 2 of the offering circular, and additional risks are disclosed in the
27 “Risk Factors” portion of the offering circular on pages 13 through 18. Page 1 of the offering
28 circular, in capitalized letters, states, “THIS OFFERING INVOLVES SIGNIFICANT RISKS THAT

1 ARE DESCRIBED IN DETAIL IN THIS CIRCULAR.” Examples of the material facts in the
2 offering circular that were not provided to ER include, but are not limited to, risks associated with
3 the following: inability to rely on information or representations provided by any person;
4 unenforceability of guaranties; no guarantee that information of third parties is accurate; lack of
5 monitoring or control over the transactions; and potential tax consequences of the investment. At no
6 time did CWFI provide a copy of this offering circular to ER when it offered and sold securities to
7 him. By not providing an offering circular to ER to disclose the risks associated with the
8 investments, CWFI’s mere reference to investment “risks” in the subscription agreement, without
9 further disclosure of material facts, was misleading.

10 Based on the foregoing, the Commissioner is of the opinion that securities were offered and
11 sold by making an untrue statement of material fact or omitting to state a material fact necessary to
12 make the statements made, in light of the circumstances under which they were made, not
13 misleading, in violation of Corporations Code section 25401, subdivision (b). Pursuant to
14 Corporations Code section 25532, subdivision (c), George Gordon Getz, Caroline Joan Getz, and
15 California Western Financial Investments, Inc. are hereby ordered to desist and refrain from the
16 further offer and sale of securities by means of making an untrue statement of material fact or
17 omitting to state a material fact necessary to make the statements made, in light of the circumstances
18 under which they were made, not misleading.

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

21 Dated: October 7, 2014

22 JAN LYNN OWEN
23 Commissioner of Business Oversight

24 By _____
25 MARY ANN SMITH
26 Deputy Commissioner
27 Enforcement Division
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