

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

4 TO: David Alvin Hartley
5 11 Dartmouth Dr.
6 Rancho Mirage, CA 92270

7 **DESIST AND REFRAIN ORDER**

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

9 The California Corporations Commissioner finds that:

10 1. David Alvin Hartley (“Hartley”) is a licensed California real estate broker (Department of
11 Real Estate license number 00572463).

12 2. Hartley does business at 11 Dartmouth Dr., Rancho Mirage, California 92270.

13 3. On or about January 13, 2012, Hartley offered to a California resident (the “Investor”) an
14 interest in a Limited Liability Partnership or Limited Liability Company (the “LLP”) that he said
15 would be formed for the purpose of buying and selling four specific properties for a profit.

16 4. The LLP would be divided into four shares total, with Hartley buying two shares and the
17 Investor buying one or two shares. Each twenty-five percent (25%) share would cost ten thousand
18 dollars (\$10,000).

19 5. The Investor was told he would receive his principal investment plus a return of two hundred
20 and twenty percent (220%) within a few months.

21 6. Hartley told the Investor that the Investor did not have to be involved in the transaction other
22 than to provide capital. The LLP documents stated that Hartley would be the Managing General
23 Partner, and Hartley stated that he would handle and pay for all marketing costs and field work.

24 7. In addition, the Investor was informed that he could withdraw his investment at any time prior
25 to January 26, 2012, and he would receive a full refund within 48 hours.

26 8. Hartley told the Investor that they each needed to contribute five thousand dollars (\$5,000)
27 initially, and each such contribution would represent half of one share of the LLP. This five thousand
28 dollar (\$5,000) investment was to be used as earnest money, to prove to the seller of the four

1 properties that Hartley and the Investor intended to buy the properties.

2 9. Hartley stated that the five thousand dollars (\$5,000) would be held in an escrow account with
3 Hartford Escrow Services in Rancho Mirage.

4 10. In fact, Hartley never even opened an escrow account at Hartford Escrow Services in Rancho
5 Mirage for the property transaction.

6 11. On or about January 16, 2012, the Investor informed Hartley that he wanted a refund of his
7 five thousand dollars (\$5,000) and no longer wanted to take part in the investment.

8 12. Hartley told the Investor that he would refund the Investor's money the next day but then did
9 not do so. He then claimed that he would send the money within approximately a week. He did not
10 do so.

11 13. To date, the Investor has not been refunded his principal investment.

12 14. The shares of the LLP are securities that were offered or sold in this state in an issuer
13 transaction.

14 15. In connection with this offer and sale, Hartley included untrue statements of material facts,
15 including that the Investor's funds would be placed in an escrow account and would be refunded in
16 full at the request of the Investor. In fact, the Investor's funds were not placed in escrow, and the
17 Investor did not receive a return of his investment as promised.

18 Based on the foregoing findings, the California Corporations Commissioner is of the
19 opinion that the interests in the Limited Liability Company or Partnership for the purpose of investing
20 in real estate, offered and sold by David Alvin Hartley, are securities under the California Corporate
21 Securities Law of 1968 ("CSL"), and were offered and sold by means of written or oral
22 communications that included untrue statements of material facts in violation of 25401 of the CSL.

23 Pursuant to Section 25532 of the CSL, David Alvin Hartley is hereby ordered to desist and
24 refrain from the further offer or sale in the State of California of securities, including, but not limited
25 to, interests in Limited Liability Companies or Partnerships, by means of any written or oral
26 communication which includes an untrue statement of a material fact or omits to state a material fact
27 necessary in order to make the statements made, in light of the circumstances under which they are
28 made, not misleading.

1 This Order is necessary, in the public interest, for the protection of investors, and is consistent
2 with the purposes, policies, and provisions of the CSL.

3 Dated: April 16, 2012
4 Los Angeles, California

JAN LYNN OWEN
California Corporations Commissioner

7 By _____
8 ALAN S. WEINGER
9 Deputy Commissioner
10 Enforcement Division