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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of the Request of)
LARRE JAYE SCHLARMANN, SCHLARMANN)
ASSOC., INC., SCHLARMANN AND)
ASSOCIATES, INC., BEAR MANOR, INC.,)
ACCOMMODATION BY RESERVATION, INC.,)
BEAR MANOR TOO, BEAR MANOR CABINS,)
JANET KAY'S BED AND BREAKFAST,)
NORTHWOODS RESORT HOLDINGS, L.P.,)
NORTHWOODS PREFERRED INCOME FUND,)
INVESTORS PREFERRED INCOME FUND,)
SECURED INVESTORS MORTGAGE FUND,)
HOTEL MANAGEMENT, INC., HMI, INC.,)
HMI INCOME FUND, L.P., NADM,)
EQUITIES, INC., INVESTMENTS MANAGE-)
MENT, INVESTMENTS, MGT., P.S.)
RESTAURANT MANAGEMENT, INC., PSR)
CORPORATE INCOME FUND I, L.P., and)
LAKEVIEW INVESTMENT FUND,)

Respondents,

to

THE COMMISSIONER OF CORPORATIONS)
OF THE STATE OF CALIFORNIA,)

Complainant,

for a hearing pursuant to Section)
25532 of the Corporate Securities)
Law of 1968.)

OAH No. L-1998050134
File No.: ALPHA

STIPULATED SETTLEMENT

Hearing:
7/1/98 at 10:00 a.m.
7/2/98 at 10:00 a.m.

Employment Dev Dept.
151 North Lyon Ave.
Hemet, CA 92543
Main Conference Rm.

1 The parties to this action, COMPLAINANT, THE
2 COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, and
3 RESPONDENTS, SCHLARMANN ASSOC., INC.; SCHLARMANN AND
4 ASSOCIATES, INC.; LARRE JAYE SCHLARMANN; BEAR MANOR, INC.;
5 ACCOMMODATION BY RESERVATION, INC.; BEAR MANOR TOO; BEAR
6 MANOR CABINS; JANET KAY'S BED AND BREAKFAST; NORTHWOODS
7 RESORT HOLDINGS, L.P.; NORTHWOODS PREFERRED INCOME FUND;
8 INVESTORS PREFERRED INCOME FUND; SECURED INVESTORS MORTGAGE
9 FUND; HOTEL MANAGEMENT, INC.; HMI, INC.; HMI INCOME FUND,
10 L.P.; NADM, EQUITIES, L.P.; INVESTMENTS MANAGEMENT;
11 INVESTMENTS MGT.; P.S. RESTAURANT MANAGEMENT, INC.; PSR
12 CORPORATE INCOME FUND I, L.P.; and LAKEVIEW INVESTMENT FUND
13 ("RESPONDENTS"), wishing to save time and expenses from
14 further litigation of this matter, stipulate as follows:

15 1. RESPONDENTS hereby withdraw their request for
16 a hearing before the Office of Administrative Hearings and
17 waive any further right to appeal, in any forum, the
18 issuance of the Desist and Refrain Order that is the subject
19 matter of this proceeding. In withdrawing their request for
20 a hearing and waiving their rights of appeal, RESPONDENTS
21 admit no violation, liability, fault or breach of any
22 statute, regulation or order.

23 2. COMPLAINANT stipulates that nothing in the
24 Desist and Refrain Order is intended to prevent RESPONDENTS
25 from offering and selling any security pursuant to a
26 qualification or to any exemption from the qualification
27 requirement under the Corporations Code.

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3. COMPLAINANT further stipulates that nothing in the Desist and Refrain Order is intended to be a statement as to the integrity of RESPONDENTS, their officers or agents, or of the investment potential of any security that RESPONDENTS might offer now or in the future, including the investments subject to the Desist and Refrain Order.

4. Each signatory hereto covenants that he possesses all the necessary capacity and authority to sign and to enter into this Stipulation.

DATED: 6/25/98

DALE A. BONNER
Commissioner of Corporations

By: _____
MARK E., HARMAN

DATED: 6/24/98

~~LARRE JAYE SCHLARMANN~~
Respondent

DATED: 6/24/98

SCHLARMANN ASSOC., INC.; SCHLARMANN AND ASSOCIATES, INC.; BEAR MANOR, INC.; ACCOMMODATION BY RESERVATION, INC.; HOTEL MANAGEMENT, INC.; HMI, INC.; INVESTMENTS MANAGEMENT; INVESTMENTS MGT. and P.S. RESTAURANT MANAGEMENT, INC.
Respondents

By: _____
LARRE JAYE SCHLARMANN
President

(Additional signatures on next page)

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DATED: 6/24/98

NORTHWOODS RESORT HOLDINGS, L.P.;
NORTHWOODS PREFERRED INCOME FUND;
INVESTORS PREFERRED INCOME FUND;
SECURED INVESTORS MORTGAGE FUND;
HMI INCOME FUND, L.P.; NADM;
EQUITIES, L.P.; BEAR MANOR TOO;
BEAR MANOR CABINS; JANET KAY'S BED
AND BREAKFAST; PSR CORPORATE INCOME
FUND I, L.P. and LAKEVIEW
INVESTMENT FUND
Respondents

By: LAURE JAY SCHLARMANN
Managing Partner

Approved as to form and content
DATED: 6/24/98

MARK R. MCDONALD, ESQ.
Attorney for Respondents