

1
2 **STATE OF CALIFORNIA**
3 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**
4 **DEPARTMENT OF BUSINESS OVERSIGHT**

5 TO: DAVID KUMAR LAL
6 FANTASTIC REALTY INVESTMENT ACCOUNT
7 39488 Stevenson Place, Suite 109
8 Fremont, CA 94539

9
10 **DESIST AND REFRAIN ORDER**
11 **(For violations of section 25110 and 25401 of the Corporations Code)**

12 The Commissioner of Business Oversight finds that:

13 1. At all relevant times, David Kumar Lal (hereinafter referred to as “D.K. Lal” to
14 distinguish him from another David Lal real estate licensee), was a licensed real estate broker in
15 California doing business as Fantastic Realty Investment Account. D.K. Lal’s broker license number
16 with the California Bureau of Real Estate was 01101503. His broker’s license has subsequently been
17 revoked. At all relevant times, the investors in Fantastic Realty Investment Account were residents
18 of California.

19 2. D.K. Lal solicited the investors to invest in the common stock of Fantastic Realty
20 Investment Account in July of 2010. The investors made an initial payment of \$5000 in July of
21 2010, and subsequently made monthly payments to D.K. Lal of \$1500 for the months of August,
22 September and October. At the time of the solicitation, D.K. Lal was the sole proprietor of Fantastic
23 Realty Investment Account. The investors were provided with a document by D.K. Lal entitled
24 “Subscription Agreement for the Private Placement of Shares.” The agreement, signed by the
25 investors and D.K. Lal stated that the investors subscribed for 50 shares at a price of \$100 per share.
26 The subscription agreement provided that ten months after the execution of the agreement, the
27 company and D.K. Lal would purchase the shares from the investors “at 7% per year above” the
28 share sale price. The investors also checked a box in the subscription agreement indicating that they

1 were not accredited investors.

2 3. The subscription agreement was signed in July, 2010. D.K. Lal filed a Chapter 13 petition
3 for bankruptcy in January of 2010 and again in February, 2010. Both bankruptcy petitions were
4 dismissed for failure to timely file documents. D.K. Lal never disclosed these bankruptcy filings to
5 the investors at the time of their executing the subscription agreement for the shares in Fantastic
6 Realty Investment Account. D.K. Lal further represented that Fantastic Realty Investment Account
7 was “duly formed and validly existing and in good standing” at the time of the investment. This was
8 false. D.K. Lal also represented to the investors that the investment funds would be used to invest in
9 real estate. This was also false, as no funds were ever invested in real estate on behalf of the Fantastic
10 Realty Investment Account or on behalf of the investors.

11 Based upon the foregoing findings, the Commissioner of Business Oversight is of the opinion
12 that the shares that are being or have been offered or sold by David Kumar Lal and Fantastic Realty
13 Investment Account are securities subject to qualification under the California Corporate Securities
14 Law of 1968 and are being or have been offered or sold without being qualified in violation of
15 Corporations Code section 25110. Pursuant to Corporations Code section 25532, David Kumar Lal
16 and Fantastic Realty Investment Account are hereby ordered to desist and refrain from the further
17 offer or sale in the State of California of securities, including but not limited to shares of common
18 stock, unless and until qualification has been made under the law or unless exempt.

19 Further, the Commissioner of Business Oversight is of the opinion that the securities issued
20 by David Kumar Lal and Fantastic Realty Investment Account were offered and sold in this state by
21 means of written or oral communications which included untrue statements of material fact or
22 omitted to state material facts necessary in order to make the statements made, in the light of the
23 circumstances under which they were made, not misleading, in violation of section 25401 of the
24 Corporate Securities Law of 1968.

25 Pursuant to Section 25532 of the Corporate Securities Law of 1968, David Kumar Lal and
26 Fantastic Realty Investment Account are hereby ordered to desist and refrain from offering or selling
27 any security in the State of California by means of any written or oral communication which includes
28 an untrue statement of a material fact or omits to state a material fact necessary in order to make the

1 statements made, in the light of the circumstances under which they were made, not misleading.

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

4 Dated: November 20, 2013
5 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

6
7
8 By _____
9 MARY ANN SMITH
10 Deputy Commissioner
11 Enforcement Division
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28