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

TO: Christopher P. Epsha  
Steven G. Thompson  
Investco Management & Development LLC  
2145 Nineteenth Avenue, Ste. 203  
San Francisco, CA 94116

**DESIST AND REFRAIN ORDER**  
**(For violations of sections 25110 and 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. Investco Management & Development LLC (“IM&D”) was formed as a California limited liability company on February 17, 2006. Christopher P. Epsha (“Christopher Epsha”) was at all relevant times licensed in California as an attorney and as a real estate broker, and was a managing member of IM&D. Stephen G. Thompson (“Stephen Thompson”) was at all relevant times licensed in California as a real estate broker and was a managing member of IM&D. Christopher Epsha, Stephen Thompson, and IM&D have been engaged in the business of real estate management and have a business address of 2145 19<sup>th</sup> Avenue, Suite 203, San Francisco, CA, 94116.

2. Beginning in June 2006 and through April 2008, Christopher Epsha formed a series of California limited liability companies, with IM&D a managing member of each, starting with Investco AV7 LLC and numbered consecutively up through Investco AV22 LLC. IM&D offered and sold securities in the form of interests in several of these limited liability companies, including Investco AV12 LLC (“Investco 12”). Similar to the representations made to prospective members of these several limited liability companies, IM&D represented to prospective Investco 12 members that their investment funds would be used by IM&D to negotiate and contract to purchase at a favorable price specific real property in rural Los Angeles County, to manage the property for a period of time in anticipation of appreciation due to projected population growth, and then to sell the property either

1 “as is” or developed. IM&D disclosed that the compensation to be received for its management  
2 responsibilities in Investco 12 would include a commission at the time of the purchase of the  
3 property, a commission at the time of the eventual sale of the property, management fees over a four  
4 year period, and a share of the profits upon the eventual sale of the property of 10% to 20%  
5 depending on whether or not the property was developed.

6 3. In connection with these offers and sales, IM&D omitted to disclose the following  
7 material facts:

8 a.) For each Investco LLC formed, IM&D had formed and were managers of a  
9 corresponding consecutively numbered Landco LLC, specifically Landco AV7 LLC through  
10 Landco AV22 LLC;

11 b.) With the exception of real property purchased directly by Investco AV10 LLC and  
12 Investco AV11 LLC, for each real property purchased by an Investco LLC, a Landco LLC  
13 had first purchased the same property only weeks or months before and at a substantially  
14 lower price;

15 c.) Specifically, Investco 12 investors were not told that the real property they  
16 purchased from Landco AV12 LLC (“Landco 12”) for \$375,000 (with an escrow closing date  
17 of September 17, 2007) had been purchased by Landco 12 for \$207,850 just one month earlier  
18 (with an escrow closing date of August 14, 2007), and that IM&D was to receive from the  
19 sale of the real property by Landco 12 to Investco 12, 81.9% of the net profit and a total of  
20 \$150,000 in profit, commissions, and management fees.

21 4. These securities were offered and sold in this state in issuer transactions. On behalf of  
22 Investco 12 and other Investco AV limited liability companies, IM&D filed with the Department of  
23 Corporations notices of sales of securities claiming exemptions from qualification pursuant to either  
24 California Corporations Code Section 25102(f) or federal Rule 506 of Regulation D. The  
25 Department of Corporations has not issued a permit or other form of qualification authorizing any  
26 person or entity to offer and sell these securities in this state.

27 5. In offering these securities for sale to the public, Christopher Epsha, Steven  
28 Thompson, and IM&D engaged in general solicitations including solicitations at trade show booths.

1 Based on the forgoing findings, the California Corporations Commissioner is of the opinion  
2 that the investments offered and sold by Christopher Epsha, Steven Thompson, and IM&D constitute  
3 securities, which are subject to qualification under the California Corporate Securities Law of 1968,  
4 and that these securities have been and are being offered and sold, without an exemption, and without  
5 being qualified in violation of Corporations Code section 25110.

6 Pursuant to Corporations Code section 25532, Christopher P. Epsha, Steven G. Thompson,  
7 and Investco Management & Development LLC, are hereby ordered to desist and refrain from the  
8 further offer or sale of securities in the State of California, including but not limited to interests in a  
9 limited liability company, unless and until qualification has been made under the law or unless  
10 exempt.

11 Based on the forgoing findings, the California Corporations Commissioner is of the further  
12 opinion that securities were offered and sold by means of written or oral communications that failed  
13 to disclose material facts in violation of 25401 of the Corporations Code.

14 Pursuant to Corporations Code section 25532, Christopher P. Epsha, Steven G. Thompson,  
15 and Investco Management & Development LLC, are hereby ordered to desist and refrain from  
16 offering or selling or buying or offering to buy securities in this state, including but not limited to  
17 interests in a limited liability company, by means of any written or oral communication which  
18 includes an untrue statement of a material fact or omits to state a material fact necessary in order to  
19 make the statements made, in light of the circumstances under which they are made, not misleading.

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

22 Dated: February 18, 2009

23 PRESTON DuFAUCHARD  
24 California Corporations Commissioner

25 By \_\_\_\_\_  
26 ALAN S. WEINGER  
27 Lead Corporations Counsel  
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