

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

4 TO: OC Health Enterprises, Inc. doing business as B&B Collective
5 Kent George Lehman

6 200 North Main Street, 2nd Floor
7 Santa Ana, California 92701

8 999 North Tustin Avenue, Suite. 222
9 Santa Ana, California 92708

10 4506 East La Palma Avenue
11 Anaheim, California 92807

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

14 The Commissioner of Business Oversight (Commissioner) finds that:

15 1. At all relevant times, OC Health Enterprises, Inc. doing business as B&B Collective
16 (OC Health) was a California non-profit corporation doing business in California at 200 North Main
17 Street, 2nd Floor, Santa Ana, California 92701 and at 4506 East La Palma Avenue, Anaheim,
18 California 92807. OC Health conducted business on the internet at www.ochealthenterprises.com.
19 OC Health was engaged in the business of growing cannabis and cannabis sales.

20 2. At all relevant times, Kent George Lehman (Lehman) was a representative of OC
21 Health doing business at 999 North Tustin Avenue, Suite 222, Santa Ana, California 92705 and at
22 4506 East La Palma Avenue, Anaheim, California 92807.

23 3. Beginning in September 2017, Lehman and OC Health offered and sold investment
24 agreements to at least one investor in the amount of \$50,000.00. The terms of the investment were as
25 follows: Investor paid to OC Health a capital investment of \$50,000.00 by wire transfer in two
26 payments, one payment in September 2017 and one payment in October 2017. The investor was
27 promised by Lehman and OC Health to receive a return of 5 percent per month, 60 percent per year
28 for two years in interest on the capital investment, with the investor to be paid \$2,500.00 monthly. In
fact, the investor never received any monthly payments from Lehman and/or OC Health as promised.

1 At the end of the investment term, the investor was promised she would receive her investment
2 principal of \$50,000.00 back with an option to reinvest the principal again with Lehman and OC
3 Health into a new investment.

4 4. Although Lehman and OC Health asserted in the investment agreement that the
5 investor would receive her capital investment principal of \$50,000.00 in two years, Lehman and OC
6 Health told the investor that she could request and receive her capital investment principal at “any
7 time”. The investor requested her capital investment principal back from Lehman and OC Health on
8 numerous occasions by email, text and telephone from December 2017 to at least April 2018. To
9 date, the investor has not received the capital investment principal in the amount of \$50,000.00 or
10 profits from the investment.

11 5. Lehman and OC Health offered and sold the above-described securities in California
12 in issuer transactions. The Commissioner has not issued a permit or other form of qualification
13 authorizing any person to offer and/or sell these securities in the form of investment agreements in
14 California. Lehman and OC Health are not exempt from the qualification requirements set forth in
15 the Corporate Securities Law of 1968 (Corp. Code, § 25000 et seq.) (CSL).

16 6. Lehman was a Financial Industry Regulation Authority (FINRA) licensed broker
17 dealer from March 24, 2008 to February 12, 2009, and July 10, 2009 to July 11, 2011. On or about
18 March 4, 2014, Lehman was found by the FINRA to have borrowed money from customers and then
19 falsely representing that he had not. Lehman also was found by FINRA to have failed to cooperate
20 with the FINRA investigation regarding these acts. As a result, FINRA barred Lehman from acting
21 as a broker or otherwise associating with any member broker-dealer firm, as set forth in FINRA
22 Default Decision for Disciplinary Proceeding Number 2011029916501, dated March 4, 2014.
23 Lehman is not currently licensed by FINRA.

24 7. Lehman was licensed by the California Department of Insurance (DOI) as a “Life-
25 Only Insurance Agent” and as an “Accident and Health Insurance Agent” with the “authorization to
26 transact variable contracts” from October 14, 2008 to October 31, 2012. On December 27, 2012, the
27 DOI once again licensed Lehman as a “Life-Only Insurance Agent” and as an “Accident and Health
28 Insurance Agent” with the “authorization to transact variable contracts”. On March 4, 2014, the

1 authorization to transact variable contracts was “cancelled” by the DOI due to Lehman’s “no active
2 registration” status with FINRA. On October 21, 2014, Lehman’s remaining DOI licenses were
3 revoked and the DOI issued a restricted a “Life-Only Insurance Agent license and an Accident and
4 Health Insurance Agent” license to Lehman. On October 31, 2016, Lehman’s restricted “Life-Only
5 Insurance Agent and Accident and Health Insurance Agent” licenses were revoked by the DOI.
6 Therefore, as of November 1, 2016, Lehman was no longer licensed by the DOI.

7 8. The Secretary of State, by order of the Franchise Tax Board, suspended OC Health on
8 September 29, 2017.

9 9. In connection with the offer and sale of these securities, Lehman and OC Health made,
10 or caused to be made, misrepresentations of material fact or omitted to state material facts necessary
11 in order to make the statements made, in the light of the circumstances under which they were made,
12 not misleading. Specifically, Lehman and OC Health failed to disclose Lehman’s FINRA
13 disciplinary proceedings and license revocations to the investor. Also, Lehman and OC Health failed
14 to disclose Lehman’s DOI license revocations to the investor. Lehman further failed to disclose to the
15 investor that the Franchise Tax Board suspended OC Health. Moreover, Lehman and OC Health
16 misrepresented to the investor that the investor could request her capital investment principal at any
17 time and Lehman and OC Health would return her capital investment principal. Finally, Lehman and
18 OC Health misrepresented that the investor would receive a monthly payment of \$2,500.00
19 representing a five percent per month profit from Lehman and OC Health paid by check from
20 September 2017 to the termination date of the investment or until the investor requested her capital
21 investment principal back in full.

22 Based on the foregoing, the Commissioner of Business Oversight finds that the investment
23 agreements offered and sold by Kent George Lehman and OC Health Enterprises, Inc. doing business
24 as B&B Collective are securities subject to qualification under the CSL. These investment
25 agreements were offered and sold without being qualified or exempt, in violation of Corporations
26 Code section 25110.

27 Pursuant to Corporations Code section 25532, Kent George Lehman and OC Health
28 Enterprises, Inc. doing business as B&B Collective, are hereby ordered to desist and refrain from the

1 further offer or sale in California of securities, including, but not limited to investment agreements,
2 unless and until qualification has been made under said law or unless exempt.

3 Further, the Commissioner of Business Oversight is of the opinion that the securities in the
4 form of investment agreements were offered and sold in California by means of a written or oral
5 communication which included an untrue statement of material fact or omitted to state a material fact
6 necessary to make the statement made, in light of the circumstances under which they were made, not
7 misleading, in violation of section 25401 of the CSL.

8 Pursuant to section 25532 of the CSL, Kent George Lehman and OC Health Enterprises, Inc.
9 doing business as B&B Collective are hereby ordered to desist and refrain from offering or selling or
10 buying or offering to buy any security in California, including but not limited to investment
11 agreements, by means of any written or oral communication which includes an untrue statement of
12 material fact or omits to state a material fact necessary in order to make the statements made, in light
13 of circumstances under which they were made, not misleading.

14 This order is necessary, in the public interest, for the protection of investors and consistent
15 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

16
17
18 Dated: September 10, 2018

19 JAN LYNN OWEN
20 Commissioner of Business Oversight

21 By _____
22 MARY ANN SMITH
23 Deputy Commissioner
24 Enforcement Division
25
26
27
28