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

TO: Jason Hartman, President  
The J. Hartman Company dba  
Platinum Properties Investor Network  
Platinum Properties Investor Network, Inc.  
2115 San Joaquin Hills Road  
Newport Beach, California 92660

**DESIST AND REFRAIN ORDER**  
**(For violations of section 31110 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. The J. Hartman Company is a California corporation first registered on August 6, 1997, and which has done business under the name Platinum Properties Investor Network. The J. Hartman Company has a registered place of business at 2115 San Joaquin Hills Road, Newport Beach, California 92660. Jason Hartman is the president of The J. Hartman Company. It has a website at [www.realtyinvestornetwork.com](http://www.realtyinvestornetwork.com)

2. Platinum Properties Investor Network, Inc. is a California corporation first registered March 27, 2007, with a registered place of business at 2115 San Joaquin Hills Road, Newport Beach, California 92660. Jason Hartman is the president of Platinum Properties Investor Network, Inc.

3. The J. Hartman Company, dba Platinum Properties Investor Network and Platinum Properties Investor Network, Inc. (collectively referred to as PIN) provides seminars and workshops for investors in which investors are encouraged to purchase residential rental real estate in various states for investment purposes through PIN. PIN makes a commission as a broker on the sale of real estate purchased through PIN by the investors. PIN claims in its seminars and workshops that by having

1 investors buy through PIN in large groups in the same real estate developments, PIN can obtain better  
2 prices from developers than an individual could. PIN also provides referral services for property  
3 managers for the rental property purchased by investors. PIN's slogan is "the complete solution for  
4 real estate investors."

5 4. PIN and Jason Hartman are the sellers of franchise opportunities described as "Platinum  
6 Properties Investor Network Local Chapters" or "PIN Local Chapters" which allow the purchaser to  
7 own and operate a real estate investment and brokerage business under the name "Platinum  
8 Properties Investor Network" in certain geographical locations. PIN entered into written agreements  
9 with the purchasers of the local chapters called "PIN Local Chapter Agreements" (Agreements)  
10 which referred to the purchaser as the "Chapter Leader" (Leader). The Agreements specified that the  
11 Leaders will operate a local chapter of PIN and will use the PIN name and likeness and proprietary  
12 PIN business methods and materials in the course of its operations. The Leaders received a  
13 percentage of the gross commission revenue generated by the local chapter from PIN as  
14 compensation. The Agreements specify that Leaders must ensure that all persons operating in and  
15 through the Local Chapter, including associates, shall comply with PIN's policies and procedures and  
16 rules and regulations, will use only PIN's standard forms and marketing materials, and will strictly  
17 adhere to seminar format and content, scripts, presentations and promotional materials provided by  
18 PIN. All funds received by the Leader in connection with any real estate transaction in which chapter  
19 personnel are involved are required to be turned over to PIN for distributions of commissions by PIN.  
20 Leaders receive commissions from PIN based on a percentage of the sales generated through the  
21 Local Chapters.

22 5. The "Addendum" to the Agreements specify the Leaders are required to make an initial  
23 payment of "chapter fees" to PIN of between ten to twenty thousand dollars for an "initial marketing  
24 fund" to promote PIN and the Local Chapter, plus monthly payments to PIN of either \$5000 or  
25 twenty percent (20%) of net commissions received by the Leader during the previous month, which  
26 ever is greater. The addendum provides PIN has the sole discretion as to the use and disbursement of  
27 the chapter fees.

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1 6. PIN and Jason Hartman have offered and sold franchises to residents of California. The offer  
2 of franchises by PIN and Jason Hartman has not been registered under the California Franchise  
3 Investment Law and is not exempt under Chapter 1, beginning with Corporations Code section 31100  
4 of that law.

5 Based upon the foregoing findings, the California Corporations Commissioner is of the  
6 opinion that Jason Hartman, The J. Hartman Company, doing business under the name Platinum  
7 Properties Investor Network, and Platinum Properties Investor Network, Inc. have offered and sold  
8 franchises in California that were subject to registration under the Franchise Investment Law without  
9 the offers first being registered, in violation of Corporations Code section 31110. Pursuant to section  
10 31402 of the Corporations Code, Jason Hartman, The J. Hartman Company, doing business under the  
11 name Platinum Properties Investor Network, and Platinum Properties Investor Network, Inc. are  
12 hereby ordered to desist and refrain from the further offer or sale of franchises, including but not  
13 limited to Platinum Properties Investor Network Local Chapters in California, unless and until the  
14 offers have been duly registered under the Franchise Investment Law or unless exempt.

15 This Order is necessary, in the public interest, for the protection of investors and consistent  
16 with the purposes, policies and provisions of the Franchise Investment Law.

17 Dated: May 16, 2007  
18 Los Angeles, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

21 By \_\_\_\_\_  
22 ALAN S. WEINGER  
23 Lead Corporations Counsel