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

TO: Quality Resorts of America, Inc.
Robert M. Brindle
265 Redwood Trails Circle
Trinidad, California 95570

DESIST AND REFRAIN ORDER
(For violations of section 25401 of the Corporations Code)

The Commissioner of Business Oversight finds:

1. At all relevant times, Quality Resorts of America, Inc. (QRA) was a California corporation doing business at 265 Redwood Trails Circle, Trinidad, California 95570.
2. At all relevant times, Robert M. Brindle (Brindle) was the President of QRA.
3. Beginning in or about September 2006, QRA and Brindle entered into a promissory note (Note) with several investors, at least one of whom was a California resident.
4. The investors each received a fractionalized interest in a deed of trust in exchange for executing the Note.
5. The total investment and value of the Note was initially \$250,000, and was then increased to \$2 million. Investors were told that their money would be used by Brindle and QRA to improve on the Redwood Trails property.
6. The investors received a loan promotion package as inducement to invest in the Note.
7. Uniform Residential Loan Applications (URLAs), completed and executed by QRA and Brindle, were included in that promotional package. The purpose of the URLAs was to provide investors key information regarding the investment, QRA and Brindle.
8. In one URLA, signed June 7, 2006 and included in the packet to investors, Brindle did not disclose that he and QRA had a judgment against them, even though the URLA specifically asks for

1 this information. In another URLA included in the packet, signed on June 6, 2006 by Brindle, he
2 states that that there are no outstanding judgments against them.

3 9. In fact, there was an outstanding judgment for \$50,000 entered against QRA and Brindle on
4 January 5, 2006.

5 10. The Note stated that the investors would receive 12 percent interest on the Note and that the
6 entire balance on the Note, including any unpaid interest, would be payable in full on October 5,
7 2009. On or about April 2008, the Note went into default. The investors never received a return of
8 their investment as promised.

9 11. The fractional interests in the Note, secured by the deed of trust, are securities that were
10 offered or sold in this state in an issuer transaction.

11 12. In connection with this offer, QRA and Brindle made untrue statements of a material fact or
12 omitted to state a material fact necessary in order to make the statements made, in light of the
13 circumstances under which they were made, not misleading, including their claim that they did not
14 have any judgments against them, or their failure to disclose this material fact, to investors, in
15 violation of Corporations Code section 25401.

16 13. Based on the foregoing findings, the Commissioner of Business Oversight is of the
17 opinion that the fractionalized interests in the deeds of trust and promissory notes offered and sold by
18 Robert M. Brindle and Quality Resorts of America, Inc. are securities under the Corporate Securities
19 Law of 1968 (CSL) and were offered and sold by means of written or oral communications that
20 included untrue statements of material facts, or omitted to state a material fact, in violation of section
21 25401 of the Corporations Code.

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1 Pursuant to section 25532 of the CSL, Robert M. Brindle and Quality Resorts of America,
2 Inc. are hereby ordered to desist and refrain from the further offer or sale in the State of California of
3 securities, including, but not limited to fractionalized interests in deeds of trust and promissory notes,
4 by means of any written or oral communication which include an untrue statement of a material fact
5 or omits to state a material fact necessary in order to make the statements made, in light of the
6 circumstances under which they are made, not misleading.

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

9 Dated: May 12, 2017
10 Sacramento, California

11 JAN LYNN OWEN
12 Commissioner of Business Oversight

13 By _____
14 MARY ANN SMITH
15 Deputy Commissioner
16 Enforcement Division
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