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California Corporations Commissioner  
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9 BEFORE THE DEPARTMENT OF CORPORATIONS  
10 OF THE STATE OF CALIFORNIA

12	In the Matter of	)	CASE NO.
13		)	
14	THE CALIFORNIA CORPORATIONS	)	FILE NO. 506-2650
15	COMMISSIONER,	)	
16	Complainant,	)	ORDER REVOKING PERMIT
17	v.	)	[Corporations Code section 25140]
18	REAL PROPERTY LENDERS, INC.,	)	
19	Respondent.	)	
20		)	
21		)	

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- 23 1. On May 19, 2008, the California Corporations Commissioner (“Commissioner”) initiated this
- 24 action pursuant to Corporations Code section 25140(a)(1) to revoke the permit issued to Real
- 25 Property Lenders, Inc. (“Respondent”).
- 26 2. Real Property Lenders, Inc. is a California corporation located at 630 10th Street, Paso
- 27 Robles, California 93446.
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1 3. On June 25, 2007, the Commissioner issued a permit under Corporations Code section 25113  
2 to Real Property Lenders, Inc. to offer and sell securities in the form of securities in fractional  
3 interests in notes secured by deeds of trust in California. The permit expires on June 25, 2008.

4 4. The permit was issued under a limited offering qualification authorizing the offer and sale of  
5 Respondent's securities only to:  
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7 a. Investors with (i) a net worth (exclusive of home, furnishings and automobiles) of at least  
8 \$250,000 and an annual gross income of at least \$65,000; or (ii) a net worth (exclusive of home,  
9 furnishings and automobiles) of at least \$500,000; and  
10

11 b. The amount of each investor's investment must not exceed ten percent (10%) of such  
12 investor's net worth (exclusive of home, furnishings and automobiles).

13 5. In May 2008, the Department determined that Respondent was violating the terms of the  
14 permit in the following manner:

15 a. Failing to disclose that Respondent was no longer making monthly interest payments  
16 to investors in direct contradiction of the representations made in the offering circular.  
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18 b. Selling fractional interests to investors who did not qualify or meet the suitability  
19 standards outlined in the offering circular.

20 6. Respondent also violated the terms of a prior permit which expired on March 14, 2007 in a  
21 similar manner. Furthermore, it failed to provide offering circulars or subscription agreements to  
22 certain investors prior to the date of their investment.  
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24 7. Records from the San Luis Obispo County Recorder document 52 notices of default filed  
25 between February 22, 2007 and February 22, 2008 on properties granted by Respondent.

26 8. On May 19, 2008, the Commissioner issued a Notice of Intent to Revoke Permit Issued under  
27 Section 25113, Accusation and accompanying documents against Real Property Lenders, Inc. based  
28 upon the above.

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Based upon the foregoing, the Commissioner finds it is in the public interest to revoke the permit issued to Respondent and that Respondent's proposed plan of business and proposed issuance of securities is no longer fair, just and equitable because the Respondent's offering circular contains material misrepresentations about the investment and the Respondent is not conducting business as disclosed in the offering circular.

NOW GOOD CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED that the Permit issued by the Commissioner to Real Property Lenders, Inc. on June 25, 2007 is hereby revoked. This order is effective as of the date hereof.

Dated: June 6, 2008  
Sacramento, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Alan S. Weinger  
Lead Corporations Counsel