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

TO: Ronald Paul Shade aka Ron Shade
Londet J. Srun aka L J Srun aka Londet John Srun Sr.
Orange Crest Realty, Inc. aka Orange Crest Realty Corporation
6338 Brockton Avenue
Riverside, CA 92506

DESIST AND REFRAIN ORDER

(For violations of California Corporations Code sections 25110 and 25401)

The California Corporations Commissioner (“Commissioner”) finds that:

1. Orange Crest Realty, Inc. aka Orange Crest Realty Corporation (“Orange Crest Realty”) is a California Corporation located at 6338 Brockton Avenue, Riverside, California 92506. Orange Crest Realty maintains an Internet site at www.ocrfunding.com.
2. At all relevant times herein, Ronald Paul Shade aka Ron Shade (“Shade”) is or was an individual with a business address of 6338 Brockton Avenue, Riverside, California 92506. Shade is the founding partner and president of Orange Crest Realty.
3. At all relevant times herein, Londet J. Srun aka L J Srun aka Londet John Srun Sr. (“Srun”) is or was an individual with a business address of 6338 Brockton Avenue, Riverside, California 92506. Srun is the senior production manager and a control person of Orange Crest Realty.
4. Beginning in at least August 2006 and continuing thereafter, Orange Crest Realty, Shade and Srun have offered and sold investments in the State of California in the form of notes allegedly secured by deeds of trust.
5. Investments were solicited through the Internet site www.ocrfunding.com, which included a general solicitation to “Get 18% APR Today” through the company’s “wonderful” investment opportunities. The web site and other promotional materials offered investments with a “fixed rate of

1 return” on each investment “backed by the actual title to one of our existing properties for your
2 security.”

3 6. Investments were also solicited through newspaper advertisements offering “up to 18%
4 APR” on fixed rate, one to two year “fully secured” investments, with a minimum \$10,000
5 investment.

6 7. At least one California resident responded to the web site, and was informed by Orange
7 Crest Realty, Shade and Srun that Orange Crest Realty needed investors in order to obtain financing to
8 build structures on land the company had purchased. The investor was offered a “Note Secured by
9 Deed of Trust” (“Note”) and was told that the Deed of Trust legally conveyed title to certain real
10 property (“Property”) to her and once the investment was purchased, would immediately be recorded
11 with the Office of the County Assessor/Recorder. The investor was assured that she would hold a
12 stand-alone first security interest in the Property.

13 8. The offering materials also included information about Orange Crest Realty, Shade and
14 Srun, including statements detailing their professional experience, and the company’s history and
15 creditworthiness.

16 9. On or about January 16, 2008, the investor purchased a Note from Orange Crest Realty,
17 Shade and Srun in the amount of fifty thousand dollars (U.S. \$50,000), paying monthly interest of
18 eighteen percent (18%) for a term of twenty-four (24) months, with the initial principal due at the end
19 of the term.

20 10. The Note states on its face that it is secured by a Deed of Trust which “protects the Note
21 Holder from possible losses which might result” in the event of default. The Note attaches a Deed of
22 Trust And Assignment of Rents in the Property in favor of the investor. The investor was told that the
23 Deed of Trust And Assignment of Rents would be recorded with the County Assessor and the investor
24 would be provided with the recorded deed.

25 11. Orange Crest Realty, Shade and Srun offered these securities by means of written and oral
26 communications which included untrue statements of material fact and which omitted to state material
27 facts necessary in order to make the statements made, in light of the circumstances under which they
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1 were made, not misleading. The misrepresentations and omissions of material fact included, without
2 limitation:

- 3 a. That Orange Crest Realty was founded in 1993; in fact, Orange Crest Realty was
4 not incorporated until June 2004;
- 5 b. That Orange Crest Realty is a “registered investment advisor”; in fact, the
6 Commissioner has not granted a certificate authorizing Orange Crest Realty, Shade
7 or Srun to conduct business as an investment adviser in this state;
- 8 c. That each investment was secured by actual title to specific existing real property;
9 in fact, each investment was not secured by real property;
- 10 d. That a Deed of Trust And Assignment of Rents in the Property would be recorded
11 with the Office of the County Assessor/Recorder and the investor would be
12 provided with the recorded deed; in fact, the deed was not recorded and the investor
13 never received a recorded deed; and
- 14 e. That the investor would receive regular monthly interest payments; in fact,
15 payments ceased shortly after the investment was purchased.

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17 Based on the foregoing findings, the Commissioner is of the opinion that Orange Crest Realty,
18 Inc. aka Orange Crest Realty Corporation, Ronald Paul Shade aka Ron Shade, and Londet J. Srun aka
19 L J Srun aka Londet John Srun Sr. engaged in the offer and sale of securities in the form of notes from
20 Orange Crest Realty. These securities have not been qualified under the California Corporate
21 Securities Law of 1968, California Corporations Code section 25000 *et. seq.*, in violation of section
22 25110 of the Corporations Code. Pursuant to section 25532 of the Corporations Code, Orange Crest
23 Realty, Inc. aka Orange Crest Realty Corporation, Ronald Paul Shade aka Ron Shade, and Londet J.
24 Srun aka L J Srun aka Londet John Srun Sr. are hereby ordered to desist and refrain from the further
25 offer or sale in the State of California of securities, including but not limited to notes, unless and until
26 qualification has been made under said law or unless exempt.

27 Further, the Commissioner is of the opinion that Orange Crest Realty, Inc. aka Orange Crest
28 Realty Corporation, Ronald Paul Shade aka Ron Shade, and Londet J. Srun aka L J Srun aka Londet

1 John Srun Sr. offered and sold securities in the form of notes by means of written and oral
2 communications including untrue statements of material facts and omissions of material facts
3 necessary to make the statements, in light of the circumstances under which they were made, not
4 misleading, in violation of section 25401 of the Corporations Code. Pursuant to section 25532 of the
5 Corporations Code, Orange Crest Realty, Inc. aka Orange Crest Realty Corporation, Ronald Paul
6 Shade aka Ron Shade, and Londet J. Srun aka L J Srun aka Londet John Srun Sr. are hereby ordered
7 to desist and refrain from offering or selling any security in the State of California by means of any
8 written or oral communication which includes an untrue statement of a material fact, or omits to state
9 a material fact necessary in order to make the statements made, in the light of the circumstances under
10 which they were made, not misleading.

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

14 Dated: September 10, 2008
15 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

17 By _____
18 ALAN S. WEINGER
19 Acting Deputy Commissioner
20 Enforcement Division
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