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STATE OF CALIFORNIA  
BUSINESS, TRANSPORTATION & HOUSING  
DEPARTMENT OF CORPORATIONS

TO: S3 Partners, LLC  
Michael Sims  
Sam S. Stafford  
Rusty Shields  
Golden Crest Wealth Management, LLC  
Golden Crest Affiliate Services, LLC  
Alaris Development, LLC  
Stagecoach Retail, LLC  
Oakmont, LLC  
Centra Palm Court, LLC  
Sonterra Retail Center, LLC  
Marengo Ranch Retail Center, LLC  
  
1625 The Alameda, Ste. 201  
San Jose, CA 95126  
and  
2401 HWY 70 SW  
Hickory, NC 28602  
and  
1438 Bloomingdale Ave.  
Valrico, FL 33594  
and  
5126 Stevens Creek Blvd., Suite 50  
San Jose, CA 95129  
and  
2225 E. Bayshore Rd, Ste. 200  
Palo Alto, CA 94303

**DESIST AND REFRAIN ORDER**  
**(For violations of sections 25110, 25210 and 25401 of the Corporations Code)**

The California Corporations Commissioner (“Commissioner”) finds that:  
1. S3 Partners, LLC (hereinafter “S3” or “S3 Partners”) was a Nevada Limited Liability Company until it was dissolved on October 16, 2008. The name S3 refers to the three partners in the company, all of whose surnames begin with the letter “S”: Michael Sims, Sam S. Stafford, and Rusty

1 Shields. S3 has three different business addresses listed on its website: 1625 The Alameda, Ste. 201,  
2 San Jose, CA 95126, and 2401 HWY 70 SW, Hickory, NC 28602, and 1438 Bloomingdale Ave.,  
3 Valrico, FL 33594. The Commissioner is informed and believes that at some point in time, each  
4 address was associated with one or more of the partners.

5 2. Michael Sims (or “Sims”) is a natural person and a resident of the State of California. He was  
6 a partner in S3. He is also a principal in several other companies, including Golden Crest Wealth  
7 Management, LLC, Golden Crest Affiliate Services, LLC, Eagle Crest Investment Properties, and  
8 others. He is licensed to sell insurance in the State of California: license number 0C50384. In 1978,  
9 Michael Sims’ real estate license was indefinitely suspended by the California Department of Real  
10 Estate.

11 3. Sam Stafford (or “Stafford”) is a natural person, currently believed to be a resident of the  
12 State of California. He was a partner in S3 and is listed as a manager of S3 on the Nevada Secretary  
13 of State’s website. He is a principal and manager of Alaris Development, LLC (“Alaris”), a Nevada  
14 limited liability company, that claims, on its website, [www.alarisdevelopment.com](http://www.alarisdevelopment.com), to be “a member  
15 of the S3 Partners family of companies,” specializing in offering real estate investment opportunities  
16 to investors.

17 4. Rusty Shields (or “Shields”) is a natural person, currently believed to be a resident of North  
18 Carolina or Florida. He was a partner in S3. He is currently listed as the principal of Pinnacle  
19 Property Solutions on its website <http://pps-reo.com>.

20 5. Golden Crest Wealth Management, LLC (or “Golden Crest Wealth”) is a Nevada Limited  
21 Liability Company. S3 is listed as the manager on the Nevada Secretary of State’s website. Michael  
22 Sims is listed as its Chief Operating Officer.

23 6. Golden Crest Affiliate Services, LLC (or “Golden Crest Affiliate”) is a California limited  
24 liability company. Michael Sims is the registered agent for service.

25 7. Alaris Development LLC (or “Alaris”) is a Nevada limited liability company. Stafford is  
26 listed as its manager.

27 8. Stagecoach Retail, LLC is an Arizona limited liability company.

28 9. Oakmont, LLC, is a Florida limited liability company.

- 1 10. Centra Palm Court, LLC is a Nevada limited liability company.
- 2 11. Sonterra Retail Center, LLC is a Texas limited liability company.
- 3 12. Marengo Ranch Retail Center, LLC is an association with an unknown domicile.
- 4 13. All of the aforementioned companies and individuals, at one point or another, were associated  
5 with the following addresses:
- 6 1625 The Alameda, Ste. 201, San Jose, CA 95126;
- 7 2401 HWY 70 SW, Hickory, NC 28602;
- 8 1438 Bloomingdale Ave., Valrico, FL 33594;
- 9 5126 Stevens Creek Blvd., Suite 50; San Jose, CA 95129;
- 10 2225 E. Bayshore Rd, Ste. 200; Palo Alto, CA 94303; and
- 11 18525 Sutter Blvd., Ste. 260, Morgan Hill, CA 95037.
- 12 14. In February 2007, Sims, Stafford, and Shields formed S3 Partners, primarily for the purpose  
13 of seeking investment capital from individual investors, which would enable S3 to initially fund  
14 several separate real estate venture companies structured as limited liability companies (identified in  
15 paragraphs 8 to 12 above).
- 16 15. Through direct solicitation, internet solicitation, word of mouth, referrals and other forms of  
17 general solicitation, including “free lunch” and “free dinner” seminars, S3, Sims, Stafford, and  
18 Shields, jointly and individually, offered and sold securities in the form of interests in limited liability  
19 companies to investors in the State of California. Some of the LLCs created by S3, Sims, Stafford,  
20 and Shields, in which interests were offered and sold, include: Stagecoach Retail, LLC, Oakmont,  
21 LLC, Centra Palm Court, LLC, Sonterra Retail Center, LLC, Marengo Ranch Retail Center, LLC,  
22 and others.
- 23 16. Golden Crest Wealth, Golden Crest Affiliate, and Alaris were also involved in the offer and  
24 sale of securities as each of these companies are alter egos of Sims, Stafford, and/or Shields and each  
25 referred potential investors, remained associated with S3, Sims, Stafford, and Shields, accepted the  
26 proceeds of S3’s offer and sale of securities in the State of California, and added undeserved  
27 credibility to the S3 enterprise.
- 28 17. The marketing and sales of these securities were intentionally targeted towards senior citizens.

1 18. S3, Sims, Stafford, and Shields used aggressive tactics to convince mostly elderly investors to  
2 free up investment dollars for S3's various LLC ventures. For instance, investors were urged to  
3 invest individual retirement account monies (IRA funds) by removing monies from managed IRA  
4 accounts held by reputable investment firms (which would typically not invest in S3's ventures due to  
5 prior approval and fiduciary requirements), and placing those funds in self-directed IRA accounts  
6 which would allow the investor to put their money with S3. Investors were urged to take all the  
7 equity out of their homes by refinancing their homes to take out equity as cash to be invested with the  
8 S3 group. They were then urged to take a second mortgage to allow them to make payments on the  
9 first mortgage, ostensibly so that the investors' monthly cash flow would continue to be the same.  
10 Investors would then have additional monies to invest with S3, although their homes would then be at  
11 risk. Investors were promised large enough returns on their investments in a short enough period of  
12 time that this two mortgage plan seemed reasonable.

13 14. The interests in these LLCs offered and sold in the State of California by S3, Sims, Stafford,  
14 Shields and their related companies are securities.

15 15. The California Department of Corporations has not issued any permit, license or other form of  
16 authorization, approval or qualification to any person that would allow the offer and sale of these  
17 securities, (i.e., the interests in the limited liability companies identified above) in the State of  
18 California.

19 16. Neither S3 Partners, Sims, Stafford, Shields, Golden Crest Wealth, Golden Crest Affiliate, nor  
20 Alaris had applied for or secured from the California Corporations Commissioner the certificate  
21 required to induce the purchase or sale of securities or otherwise operate in the capacity of a  
22 securities broker-dealer in the State of California at the time of the offer and sale of the securities  
23 referred to above, nor were any of those persons exempt from such licensing requirements at the  
24 time.

25 17. In connection with these offers and sales of securities, S3, Sims, Stafford, and Shields made  
26 the following misrepresentations and material omissions:

27 a. S3, Sims, Stafford and Shields claim, both in brochures and on S3's website, that  
28 charitable giving is an important part of their mission:

1 “Two of our companies produce financial resources as charitable businesses, which are non-  
2 profit entities that, by charter, re-invest 100% of profits into the communities in which they do  
3 business, as well as assisting international mission and relief efforts. These charitable  
4 businesses include **Crown Business Centers**, leasing and managing office space to local  
5 businesses and ministries, and **The Hungry Planet**, a chain of international cafés offering  
6 casual dining fare. Crown Business Centers and Hungry Planet, each invest 50% of all profits  
7 in the communities in which they operate, with local leaders helping guide the funds to local  
8 causes where the monies can be used most effectively. The other 50% of profits from these  
9 businesses is divided equally between an emergency disaster fund that may be spent anywhere  
10 in the world, and a second fund that supports global missions. In every case, we seek the  
11 greatest possible favorable impact on those who are in the greatest need, without regard to  
12 their religious or political affiliation.”

9 In addition, both in brochures and on the internet, photos of Hungry Planet restaurants are  
10 used to add credibility to the charitable giving claims.

11 The Commissioner is informed and believes that these companies make no or insignificant  
12 contributions to charity, that the photos of the restaurants may be faked, and that these charitable  
13 companies do not “produce financial resources,” or do not produce financial resources of sufficient  
14 value to warrant the previous statements.

15 b. Notwithstanding the fact that all of S3 Partners’ business deals were directly involved  
16 with real estate, S3, Sims, Stafford, and Shields failed to disclose that the California Department of  
17 Real Estate indefinitely suspended Sims’ real estate license.

18 c. S3, Sims, Stafford, and Shields represented the investment in Oakmont, LLC, and  
19 others, as a short-term investment, but the target dates for return on investment (if any return at all)  
20 have been materially longer than promised;

21 d. S3, Sims, Stafford, and Shields represented that the Marengo Ranch Retail Center,  
22 LLC investors would receive the return of their money if the required funds were not raised, however  
23 the project did not go forward and the investment dollars were not returned.

24 e. S3, Sims, Stafford, and Shields misrepresented the risk inherent in all of the securities  
25 offerings offered and sold by S3, by misrepresenting their experience, expertise, and abilities, by  
26 misrepresenting the quality and value of the securities, by misrepresenting the quality of the  
27 underlying real estate, by misrepresenting the level of involvement and the amount of information the  
28 investors would be given post-investment, and/or by misrepresenting the planned (or actual) use of

1 the investors' monies.

2 Based upon the foregoing findings, the California Corporations Commissioner is of the  
3 opinion that the interests in the limited liability companies offered and sold in the State of California  
4 constitute securities, which are subject to qualification under the Corporate Securities Law of 1968,  
5 and that these securities have been and are being offered and sold without being qualified or exempt  
6 in violation of California Corporations Code section 25110.

7 The California Corporations Commissioner is of the further opinion that the securities in the  
8 form of interests in limited liability companies have been offered and sold in the State of California  
9 by means of written and oral communications that contain untrue statements or omissions of material  
10 facts in violation of California Corporations Code section 25401.

11 The California Corporations Commissioner is of the further opinion that S3, Sims, Stafford,  
12 Shields, Golden Crest Wealth, Golden Crest Affiliate, and Alaris have induced or attempted to induce  
13 the sale of securities in the State of California without having first applied for and secured a license  
14 authorizing any of them to act in the capacity of a securities broker-dealer, in violation of California  
15 Corporations Code section 25210.

16 Pursuant to Corporations Code section 25532, S3 Partners LLC, Michael Sims, Sam S.  
17 Stafford, Rusty Shields, Golden Crest Wealth Management, LLC, Golden Crest Affiliate Services,  
18 LLC, Alaris Development, LLC, and other affiliated entities under the direction and control of any of  
19 them, including but not limited to Stagecoach Retail, LLC, Oakmont, LLC, Centra Palm Court, LLC,  
20 Sonterra Retail Center, LLC, and Marengo Ranch Retail Center, LLC, are hereby ordered to desist  
21 and refrain from the further offer or sale in the State of California of securities, including interests in  
22 limited liability companies, unless and until qualification has been made under the California  
23 Corporate Securities Law or unless exempt.

24 Pursuant to Corporations Code section 25532, S3 Partners LLC, Michael Sims, Sam S.  
25 Stafford, Rusty Shields, Golden Crest Wealth Management, LLC, Golden Crest Affiliate Services,  
26 LLC, Alaris Development, LLC, and other affiliated entities under the direction and control of any of  
27 them, including but not limited to Stagecoach Retail, LLC, Oakmont, LLC, Centra Palm Court, LLC,  
28 Sonterra Retail Center, LLC, and Marengo Ranch Retail Center, LLC, are hereby further ordered to

1 desist and refrain from the further offer or sale in the State of California of securities, including  
2 interests in limited liability companies, by means of any written or oral communication which  
3 includes untrue statements or omissions of material facts.

4 Pursuant to Corporations Code section 25532, S3 Partners LLC, Michael Sims, Sam S.  
5 Stafford, Rusty Shields, Golden Crest Wealth Management, LLC, Golden Crest Affiliate Services,  
6 LLC, Alaris Development, LLC, and other affiliated entities under the direction and control of any of  
7 them, including but not limited to Stagecoach Retail, LLC, Oakmont, LLC, Centra Palm Court, LLC,  
8 Sonterra Retail Center, LLC, and Marengo Ranch Retail Center, LLC, are hereby ordered to desist  
9 and refrain from effecting any transaction in, or attempting to induce the purchase or sale of, any  
10 security in this state, unless and until a certificate authorizing the person or entity to act in that  
11 capacity has been secured from the Commissioner of Corporations.

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

14  
15 DATED: May 11, 2009

16 PRESTON DuFAUCHARD  
17 California Corporations Commissioner

18  
19 By \_\_\_\_\_  
20 Alan S. Weinger  
21 Acting Deputy Commissioner  
22 Enforcement Division  
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