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2 **STATE OF CALIFORNIA**
3 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**
4 **DEPARTMENT OF BUSINESS OVERSIGHT**

5 TO: Ali Shekarchian,
6 a.k.a. Alireza Shekarchian
7 809 North Whittier Drive
8 Beverly Hills, CA 90210

9 **DESIST AND REFRAIN ORDER**
10 **(For violation of sections 25110 and 25401 of the Corporations Code)**

11 The Commissioner of Business Oversight finds that:

12 1. At all relevant times, Ali Shekarchian, a.k.a. Alireza Shekarchian (“Shekarchian”),
13 resided and did business at 809 North Whittier Drive, Beverly Hills, CA 90210.

14 2. Beginning in 2009 or earlier, Shekarchian offered and sold securities in the form of
15 investment contracts to one or more residents of California. Shekarchian told the investor that the
16 investments were in medical marijuana dispensaries.

17 3. These securities were offered or sold in this state in issuer transactions. The
18 Department of Business Oversight (formerly the Department of Corporations) has not issued a permit
19 or other form of qualification authorizing any person to offer or sell these securities in this state.

20 4. Shekarchian offered and sold these securities to at least one investor with whom he did
21 not have a preexisting relationship that would enable the investor to be aware of Shekarchian’s
22 character, business acumen, and general business and financial circumstances.

23 5. In connection with the offers and sales of these securities, Shekarchian misrepresented
24 that he was authorized to offer and sell these investments in the medical marijuana dispensaries. In
25 fact, Shekarchian was not authorized by the medical marijuana dispensaries to offer and sell these
26 securities.

27 Based upon the foregoing findings, the Commissioner of Business Oversight is of the opinion
28 that the investment contracts that are being or have been offered or sold by Ali Shekarchian, a.k.a.

1 Alireza Shekarchian, are securities subject to qualification under the California Corporate Securities
2 Law of 1968 and are being or have been offered or sold without being qualified in violation of
3 Corporations Code section 25110. Pursuant to Corporations Code section 25532, Ali Shekarchian,
4 a.k.a. Alireza Shekarchian, is hereby ordered to desist and refrain from the further offer or sale in the
5 State of California of securities, including but not limited to investment contracts, unless and until
6 qualification has been made under the law or unless exempt.

7 Further, the Commissioner of Business Oversight is of the opinion that the securities offered
8 and sold by Ali Shekarchian, a.k.a. Alireza Shekarchian, were offered or sold in this state by means
9 of written or oral communications which included an untrue statement of a material fact or omitted to
10 state a material fact necessary in order to make the statements made, in the light of the circumstances
11 under which they were made, not misleading, in violation of section 25401 of the Corporate
12 Securities Law of 1968. Pursuant to section 25532 of the Corporate Securities Law of 1968, Ali
13 Shekarchian, a.k.a. Alireza Shekarchian, is hereby ordered to desist and refrain from offering or
14 selling any security in the State of California, including but not limited to investment contracts, by
15 means of any written or oral communication which includes an untrue statement of material fact or
16 omits to state a material fact necessary in order to make the statements made, in light of the
17 circumstances under which they were made, not misleading.

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

20 Dated: January 23, 2014
21 Sacramento, California

22 JAN LYNN OWEN
23 Commissioner of Business Oversight

24
25 By _____
26 MARY ANN SMITH
27 Deputy Commissioner
28 Enforcement Division