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

TO: Leslie Clark Stipek
Stipek Securities, LLC
Stipek Financial Services, LLC
12551 Welbe Drive
Santa Ana, CA 92705

DESIST AND REFRAIN ORDER

(For violations of section 25110, 25210 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Leslie Clark Stipek (hereinafter, "Stipek") was the president and/or managing member, and a registered agent of Stipek Securities, LLC, a California limited liability company (hereinafter "Stipek Securities"). Stipek Securities was issued a broker-dealer license by the Department of Corporations in February 2000.

2. At all relevant times, Stipek was the president and/or managing member of Stipek Financial Services, LLC, a California limited liability company (hereinafter "Stipek Financial").

3. Beginning in or about January 1999, Stipek, Stipek Financial, and/or Stipek Securities offered or sold securities, in the State of California in the form of investment contracts and/or limited partnership interests and/or limited liability interests in:

a. Branson City Limits: The purported purpose of the Branson City Limits securities offering was to sell interests in specified resort or timeshare hotel rooms with a promise of a specified annual rate of return for a certain number of years. The investors were given the option to use the

1 rooms themselves, rent the rooms out themselves, or use a local leasing company, Ozark Ticket and
2 Travel, Inc. (hereinafter "Ozark"), to rent the rooms out with a promised return of 9% - 11%
3 annually. Branson City Limits did not return 9-11% annually to investors. Final judgment was
4 entered against Branson City Limits on March 30, 2004, after it was taken over by a court appointed
5 receiver due to a civil action filed by the United States Securities and Exchange Commission on or
6 about November 10, 2003 alleging the sale of unqualified securities and fraud.

7
8 b. Resort Hotels, Inc.: The purported purpose of the Resort Hotels, Inc. securities
9 offering was structured with the same essential characteristics as the Branson City Limits investment,
10 but involved different hotel facilities than the Branson City Limits investment. Final judgment was
11 entered against Resort Hotels, Inc. on March 30, 2004 after it was taken over by a court appointed
12 receiver due to a civil action filed by the United States Securities and Exchange Commission on or
13 about November 10, 2003 alleging the sale of unqualified securities and fraud.

14
15 c. Yucatan Resorts, Inc. d/b/a Yucatan Resorts, S.A. (Yucatan): The purported
16 purpose of the Yucatan securities offering was essentially similar to that of Branson City Limits, and
17 was to sell interests in timeshare units termed a "Universal Lease" in one of various resort properties
18 throughout Mexico and Central America. The investors were given the option to use the rooms
19 themselves, rent the rooms out themselves, or use a local leasing company. If the investor used the
20 leasing company, World Phantasy Tours, Inc. d/b/a Majesty Travel then they were promised a 9% -
21 11% rate of return. Investors did not receive the promised return. The following states issued cease
22 and desist orders against Yucatan Resorts S.A. and agents for selling unqualified securities: 1) the
23 State of Arizona Corporation Commission on September 18, 2003; 2) the Securities Commissioner
24 of Maryland issued a Final Order to Cease and Desist and Order of Bar against Martin Beeson for his
25 involvement in selling investments in Yucatan Resorts, S.A. on November 1, 2004; 3) the Securities
26 Commissioner of Maryland entered into a Consent Order with Financial Resources, Inc. for selling
27 Yucatan Resorts, S.A. on April 5, 2005; 4) the Securities Commissioner of Maryland issued a Final
28 Order to Cease and Desist against Yucatan Resorts S.A., World Phantasy Tours, Inc. and Michael

1 Kelly the principal of Yucatan Resorts S.A. on April 23, 2004; 5) Wisconsin Department of
2 Financial Institutions on April 2001; 6) New Mexico Securities Division on June 1999 against
3 Michael Kelly; 7) South Carolina Securities Division on July 26, 1999 against Michael Kelly; and 8)
4 Pennsylvania Securities Commission on October 22, 2002 .

5
6 d. Resort Holdings International, Inc. d/b/a Resort Holdings International, S.A.
7 (Resort Holdings): The purported purpose of the Resort Holdings securities offering was essentially
8 the same as Branson City Limits and Yucatan. Resort Holdings also termed the security interest a
9 “Universal Lease,” promising the same rate of return for using the lease option and even used the
10 same leasing company as Yucatan, World Phantasy Tours, Inc. d/b/a Majesty Travel. The State of
11 Arizona Corporation Commission issued an order to cease and desist against Resort Holdings
12 International, Inc. d/b/a Resort Holdings International, S.A. on September 18, 2003.

13
14 e. Sunshine Real Estate Development, Inc. (Sunshine Real Estate): The purported
15 purpose of Sunshine Real Estate’s securities offering was selling interests in a “Joint Venture
16 Agreement” for the development of certain residential real estate located in Greenwood County,
17 South Carolina. Sunshine Real Estate did not acquire or maintain the real property described in the
18 agreements in the name of the joint venture. The Texas State Securities Board issued a cease and
19 desist order against Jules Fleder and Sunshine Real Estate Development, Inc. on October 23, 2002,
20 and agents including Leslie Stipek continued to offer and sell investments without disclosing the
21 order to investors. Sunshine Real Estate was taken over by a court appointed receiver due to a civil
22 action brought by the United States Securities and Exchange Commission alleging the sale of
23 unqualified securities and actions amounting to a ponzi scheme on December 8, 2004. Fleder entered
24 a guilty plea and is currently in federal prison on charges of mail fraud, which arose from this
25 investment scam. The Department of Corporations issued a desist and refrain order in this case on
26 November 30, 2004.

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1 f. Sunshine Ventures I, LLC (Sunshine Ventures): Stipek is the chief executive
2 officer of both Sunshine Ventures and Concord Pacific, Inc. the managing company. The purported
3 purpose of the Sunshine Ventures securities offering was to raise \$1 million by selling membership
4 units in a “Joint Venture Agreement” for the development of certain residential real estate located in
5 Greenwood County, South Carolina. Sunshine Ventures was to acquire parcels of real property in the
6 State of South Carolina through its joint venture agreement with Sunshine Real Estate Development,
7 Inc. in which Jules Fleder was the president. Stipek as manager and sole owner of Sunshine Ventures
8 would receive approximately 20% of the proceeds from the sale of the units.

9
10 g. Montana Estates, LLC (Montana Estates): Stipek is the chief executive officer of
11 both Montana Estates and Pacifica Estates, Inc. the managing company. The purported purpose of
12 the Montana Estates securities offering was to raise \$1 million by selling membership units in
13 Montana Estates. Montana Estates was to acquire parcels of real property in the State of South
14 Carolina through its joint venture agreement with Sunshine Real Estate Development, Inc. in which
15 Jules Fleder was the president. Stipek as manager and sole owner of Montana Estates would receive
16 approximately 20% of the proceeds from the sale of the units.

17
18 h. North Carolina Equities, LLC (North Carolina Equities): Stipek is the chief
19 executive officer of both North Carolina Equities and Charlotte Models, Inc. the managing company.
20 The purported purpose of the North Carolina Equities securities offering was to raise \$1 million by
21 selling membership units in North Carolina Equities. The purpose of North Carolina Equities was to
22 acquire parcels of real property in the State of North Carolina through its joint venture agreement
23 with Model Investments, Inc. and Sunshine Real Estate Development, Inc. in which Jules Fleder was
24 the president. Stipek as manager and sole owner of North Carolina Equities would receive
25 approximately 20% of the proceeds from the sale of the units.

26
27 i. Roanoke Equities, LLC (Roanoke): Stipek was the sole owner of both Roanoke and
28 Virginia Equities, Inc. the managing company. The purported purpose of the Roanoke securities

1 offering was to raise \$1 million by selling membership units in Roanoke. Roanoke was to acquire
2 parcels of real property in Roanoke, Virginia and improve and resell the property through its
3 agreement with Model Properties, Inc.

4
5 j. Greensboro Financial Equities, LLC (Greensboro): Stipek was the sole chief
6 operating director for both Greensboro and the managing company North Carolina Equities, Inc. The
7 purported purpose of the Greensboro securities offering was to raise \$1 million by selling
8 membership units in Greensboro. The purpose of Greensboro was to acquire a parcel of real property
9 and construct a sales retail facility for selling model homes in the state of North Carolina, by means
10 of an agreement with Model Investments, Inc. in which Jules Fleder was the president. Stipek as
11 manager and sole owner of Greensboro would receive approximately 20% of the proceeds from the
12 sale of the units.

13
14 k. Nexstar Communications, LLC: The purported purpose of this investment was to
15 sell investment opportunities in point of sale distribution terminals designed to process credit cards at
16 merchant locations. Nexstar Communications, LLC ("Nexstar") promised investors a fixed 12% rate
17 of return if investors leased the point of sale terminals back to POSA, LLC. On February 14, 2006
18 the United States District Court, Middle District of Florida, Orlando Division entered an Order
19 Granting Permanent Injunction, Freezing Assets, and Appointing a Receiver as a result of the civil
20 suit filed by the United States Securities and Exchange Commission against Nexstar and affiliated
21 companies and individuals. Additionally, Nexstar was issued summary cease and desist orders by
22 both the Maryland Attorney General and the Pennsylvania Securities Commission on November 17,
23 2003.

24
25 l. Beneficial Assistance: The purported purpose of this investment was to invest in
26 viatical life settlement contracts in which the investor completed a viatical settlement purchase
27 authorization agreement. Under the terms of this agreement, Beneficial Assistance undertook to
28 identify, qualify and purchase life insurance and related death benefits. In connection with the offer

1 and sale of viatical settlement contracts Beneficial Assistance failed to provide material information
2 relating to the financial condition, and history of the company and the risks of the investment.
3 Beneficial Assistance was issued a summary order to cease and desist by the State of Washington
4 Department of Financial Institutions on December 13, 2001.

5
6 m. Lifetime Capital, Inc.: The purported purpose of Lifetime Capital, Inc. was to
7 invest in viatical life settlement contracts in which the investor completed a viatical settlement
8 purchase authorization agreement. Under the terms of this agreement, Lifetime Capital, Inc.
9 undertook to identify, qualify and purchase life insurance and related death benefits. The California
10 Department of Corporations issued a desist and refrain order against Lifetime Capital, Inc. for selling
11 unqualified securities on February 9, 1999. The principals of Lifetime Capital, Inc. were convicted of
12 mail fraud and sentenced to federal prison in March 2005.

13
14 n. A&N Twin Energy One, L.P.: The purported purpose of the investment
15 opportunity was to sell limited partnership interests in the amount of \$3 million to be invested in a
16 second limited partnership that will then invest in the drilling of oil wells in Wyoming.

17
18 o. Bison Twin Energy L.P.: The purported purpose of the investment opportunity was
19 to sell limited partnership interests in the amount of \$1.7 million to be invested in a second limited
20 partnership that will then invest in the drilling of oil wells in Wyoming.

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22 p. B&B Twin Energy L.P.: The purported purpose of this investment opportunity was
23 to sell limited partnership interests to be invested in the drilling of oil wells in Wyoming.

24
25 4. Stipek, Stipek Financial and Stipek Securities offered or sold securities in the form of
26 investment contracts, limited partnership interests and/or limited liability interests in the above listed
27 companies to California investors from at least June 1999 through the present.

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1 5. These securities were offered or sold in this state in issuer transactions. The Department of
2 Corporations has not issued a permit or other form of qualification authorizing any person to offer or
3 sell these securities in this state. Stipek filed exemption notices for A&N Twin Energy I, L.P., Bison
4 Twin Energy, L.P. and B&B Twin Energy, L.P., however, this exemption does not apply.

5
6 6. In connection with the offers and sales listed above, Stipek, Stipek Financial and Stipek
7 Securities represented to investors that:

8 a. The investments were safe and not risky. In fact, the investments were very
9 risky and investors lost several million dollars on their investments.

10 b. Investors could withdraw their principal investment amount after a specified
11 minimum number of years. In fact, investors were unable to withdraw any of their principal
12 investment.

13 c. Investors would receive a specified return on their investment for a specified
14 number of years. In fact, only some investors received a few of the promised interest payments.
15 Others received no payments at all. None of the investors received the full amount promised.

16 d. Stipek is either a Certified Public Accountant or used to be a Certified Public
17 Account, when in fact he has never held such a license.

18 e. Stipek is a financial planner when he is not licensed in this capacity.

19
20 7. In connection with the Branson City Limits investment, Stipek, Stipek Financial and Stipek
21 Securities failed to disclose to investors that:

22 a. In September of 1999, the Tennessee Commissioner of Commerce and
23 Insurance issued a Cease-and-Desist Order (No: 99-013) enjoining Dennis R. Weaver (hereinafter
24 “Weaver”), a co-owner, founder, and managing member of Branson City and Resort Hotels, from
25 selling unqualified securities and acting as an agent of an unregistered broker-dealer and enjoining an
26 entity controlled by Weaver from acting as an unregistered broker-dealer.

27 b. In October 1999, the Franklin Kentucky Circuit Court issued an Order of
28 Permanent Injunction (Civil Action No. 99-CI-717) enjoining Weaver, and an entity he controlled,

1 from violating an anti-fraud provision of the Kentucky securities laws and from offering and selling
2 unqualified securities.

3 c. In February 1995, Lee E. Larscheid, the owner and President of Ozark who
4 participated in the fraudulent scheme, by providing leasing services for investors, where investors
5 were promised 9% - 11% return, was convicted of bank fraud in violation of 18 U.S.C. § 1344, a
6 felony, for his part in an unrelated fraudulent scheme.

7 d. The investors would never suffer any losses because any losses that may occur
8 would be covered by the sale of Branson City Limits' assets. In fact, no amount has been paid to
9 compensate investors for their losses and now the Branson City Limits' assets are currently under the
10 control of a receiver.

11 e. Stipek, Stipek Financial and Stipek Securities would personally reimburse
12 investors for their losses, even though there was no legal obligation to do so. In fact, no such
13 reimbursements were ever made to any investors.

14
15 8. In connection with Nexstar Communications, LLC, Stipek, Stipek Financial and Stipek
16 Securities failed to disclose to investors that Nexstar Communications, LLC was issued summary
17 cease and desist orders by both the Maryland Attorney General and the Pennsylvania Securities
18 Commission on November 17, 2003, when he took an investor's money one month after the orders
19 were issued.

20
21 9. In connection with Lifetime Capital, Inc. Stipek, Stipek Financial and Stipek Securities failed
22 to disclose to investors that Lifetime Capital, Inc. was the subject of a cease and desist order issued
23 by the state of California on February 9, 1999, when he took an investor's money nine months after
24 the cease and desist order was issued.

25
26 10. In connection with the Yucatan investments, Stipek, Stipek Financial and Stipek Securities
27 failed to disclose to investors that Michael Kelly, owner, operator and sole shareholder of Yucatan,
28 and an affiliated company Yucatan Investment Corporation were the subjects of two administrative

1 orders when he took investors' money for the Yucatan investment. One order was issued by the New
2 Mexico Securities Division on May 18, 1999 for the sale of unqualified, non-exempt securities, and a
3 second order was issued by the South Carolina Division of Securities on July 26, 1999.

4
5 11. In connection with the Sunshine Ventures, North Carolina Equities, Montana Estates and
6 Greensboro investments, Stipek, Stipek Financial and Stipek Securities failed to tell investors that:

7 a) Jules Fleder, president of the joint venture company Model Investments, Inc. was
8 the subject of a cease and desist order by the state of Texas in October 2002. Stipek took over
9 \$280,000 from California investors following the issuance of the cease and desist order.

10 b) Stipek was the sole owner of the managing companies and that he would receive
11 approximately a 20% administration fees from their investment.

12 c) Investors would not receive a 15% return on this investment as promised.
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15 12. Stipek and Stipek Securities engaged in unlicensed broker-dealer activity from in or about
16 October 1999 through February 2000, when Stipek and Stipek Securities effected transactions in
17 unqualified securities in this state prior to the Department approving the broker-dealer application.
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20 13. Stipek conducted unlicensed broker-dealer activity through Stipek Financial Services, LLC,
21 which is not a registered broker-dealer in the state of California.
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23 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
24 that the investment contracts, limited partnership interests and/or limited liability interests in the
25 above listed companies are securities subject to qualification under the California Corporate
26 Securities Law of 1968 and are being or have been offered or sold without being qualified in
27 violation of Corporations Code section 25110. Pursuant to section 25532 of the Corporate Securities
28

1 Law of 1968, Leslie Clark Stipek, Stipek Securities, LLC, and Stipek Financial Services, LLC are
2 hereby ordered to desist and refrain from the further offer or sale of securities in the State of
3 California, including but not limited to investment contracts, limited partnership interests and/or
4 limited liability interests unless and until qualification has been made under the law or unless exempt.

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6 In addition, based upon the foregoing, the California Corporations Commissioner is of the
7 opinion that Leslie Clark Stipek, Stipek Securities, LLC, and Stipek Financial Services, LLC have
8 effected transactions in securities as broker-dealers without having first applied for and secured from
9 the Commissioner a certificate authorizing these persons to act in that capacity, in violation of section
10 25210 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the Corporate
11 Securities Law of 1968, Leslie Clark Stipek, Stipek Securities, LLC, and Stipek Financial Services,
12 LLC, are hereby ordered to desist and refrain from effecting any transaction in, or inducing or
13 attempting to induce the purchase or sale of, any security in this state, unless and until they have
14 applied for and secured from the Commissioner a certificate, then in effect, authorizing these persons
15 to act in that capacity.

16
17 Further, the California Corporations Commissioner is of the opinion that the investment
18 contracts, limited partnership interests, and/or limited liability interests in the above listed companies
19 are securities that were offered or sold in this state by means of written or oral communications which
20 included an untrue statement of a material fact or omitted to state a material fact necessary in order to
21 make the statements made, in the light of the circumstances under which they were made, not
22 misleading, in violation of section 25401 of the Corporate Securities Law. Pursuant to section 25532
23 of the Corporate Securities Law, Leslie Clark Stipek, Stipek Securities, LLC, and Stipek Financial
24 Services, LLC, are hereby ordered to desist and refrain from offering or selling or buying or offering
25 to buy any security in the State of California, including but not limited to investment contracts,
26 limited partnership interests, and/or limited liability interests, by means of any written or oral
27 communication which includes an untrue statement of a material fact or omits to state a material fact
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1 necessary in order to make the statements made, in the light of the circumstances under which they
2 were made, not misleading.

3
4 This Order is necessary, in the public interest, for the protection of investors and consistent
5 with the purposes, policies, and provisions of the Corporate Securities Law of 1968. This order shall
6 remain in full force and effect until further order of the California Corporations Commissioner.

7 Dated: June 29, 2006
8 Sacramento, California

Preston DuFauchard
California Corporations Commissioner

11 By: _____
12 ALAN S. WEINGER
13 Supervising Attorney
14 Enforcement Division

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