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9
10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:)
13 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,) CONSENT ORDER TO
14) DESIST AND REFRAIN
15 Complainant,)
16 v.)
17 JAMES PREIMESBERGER,)
18 Respondent.)
19)
20)

21 This Consent Order (Order) is entered into between James Preimesberger and the
22 Commissioner of Business Oversight (Commissioner) (collectively referred to herein as the Parties).

23 **RECITALS**

24 A. On October 11, 2016, the Department of Business Oversight (Department) commenced
25 an investigation to determine whether James Preimesberger violated the Corporate Securities Law of
26 1968 (CSL) (Corporations Code §25000 et seq).

27 B. On December 2, 2016, pursuant to this investigation, the Department received
28 documents and records from James Preimesberger that included evidence he offered and sold

1 securities to investors in this state in issuer transactions for and on behalf of the following entities:
2 Meridian Health Services Holdings, Inc.; Preim Health Services, LLC; 445 Park Street, LLC; San
3 Francisco Property Partners, LLC; and MDJ Associates, LLC.

4 C. These securities were subject to qualification pursuant to Corporations Code section
5 25110. To date, James Preimesberger has not demonstrated that an exemption from qualification
6 exists for the various securities offerings.

7 D. Without admitting or denying the Commissioner’s findings, Preimesberger wishes to
8 enter into this Consent Order which the Commissioner finds is in the public interest, protects investors,
9 and is consistent with the purposes, policies and provisions of the CSL. It is the intention and desire of
10 the parties to resolve this matter without the expenditure of additional resources and without the
11 necessity of a hearing.

12 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth
13 herein, the Parties agree as follows:

14 **TERMS AND CONDITIONS**

15 1. **Purpose.** This Consent Order is entered into for the purpose of judicial economy and
16 expedience, and to avoid the expense of a hearing, and possible further court proceedings.

17 2. **Finality of the Order.** James Preimesberger agrees to comply with this Order and
18 agrees that the Order is final.

19 3. **Order to Desist and Refrain.** James Preimesberger agrees to the issuance of this
20 Order under section 25532 of the Corporations Code, directing James Preimesberger to desist and
21 refrain from engaging in the business of offering and selling securities in this state unless and until
22 qualification has been made, or unless exempt from qualification, without violating Corporations Code
23 section 25110.

24 4. **Service of the Order.** James Preimesberger agrees that the delivery by electronic mail
25 of the executed Order issued by the Commissioner to the legal counsel of Respondent at
26 Pscott@earlysullivan.com shall constitute valid service of the Order.

27 5. **Waiver of Hearing Rights.** James Preimesberger acknowledges his right to an
28 administrative hearing under the CSL in connection with the Order and hereby waives that right to a

1 hearing, and to any reconsideration, appeal, or other review which may be afforded under the CSL, the
2 Administrative Procedure Act (Govt. Code, § 11370 et seq.), or any other provision of law pertaining
3 to this matter.

4 6. **Commissioner's Duties.** The Parties further acknowledge and agree that nothing
5 contained in this Order shall operate to limit the Commissioner's ability to assist any other agency
6 (city, county, state or federal) with any prosecution (administrative, civil, or criminal) brought by any
7 such agency against James Preimesberger or any other person based on any of the activities alleged in
8 these matters or otherwise.

9 7. **Independent Legal Advice.** Each of the parties represents, warrants, and agrees that it
10 has received independent advice from their attorneys or representatives with respect to the advisability
11 of executing this Order.

12 8. **No Other Representation.** Each of the parties represents, warrants, and agrees that in
13 executing this Order they have relied solely on the statements set forth herein and the advice of their
14 own counsel. Each of the parties further represents, warrants, and agrees that in executing this Order it
15 has not relied on any statement, representation, or promise of any other party, or any other person or
16 entity not expressly set forth herein, or on the failure of any party or any other person or entity to make
17 any statement, representation or disclosure of anything whatsoever. The Parties have included this
18 clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this
19 Order; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or
20 contradict the terms of the Order.

21 9. **Full Integration.** This Order is the final written expression and the complete and
22 exclusive statement of all agreements, conditions, promises, representations, and covenants between
23 the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous
24 agreements, negotiations, representations, understandings, and discussions between and among the
25 parties, their respective representatives, and any other person or entity, with respect to the subject
26 matter covered by the hereby.

27 10. **No Presumption from Drafting.** In that the Parties have had an opportunity to draft,
28 review, and edit the language of this Order, no presumption for or against any party arising out of

1 drafting all or any part of this Order will be applied in any action relating to, connected to, or involving
2 this Order. Accordingly, the Parties waive the benefit of Civil Code section 1654 and any successor or
3 amended statute, providing that in cases of uncertainty, language of a contract should be interpreted
4 most strongly against the party who caused the uncertainty to exist.

5 11. **Voluntary Agreement**. James Preimesberger enters into this Order voluntarily and
6 without coercion and acknowledges that no promises, threats, or assurances have been made by the
7 Commissioner or any officer, or agent thereof, about this Order.

8 12. **Waiver**. The waiver of any provision of this Order shall not operate to waive any other
9 provision set forth herein, and any waiver, amendment, or change to the terms of this Order must be in
10 writing and signed by the Parties.

11 13. **Authority for Settlement**. Each party warrants and represents that such party is fully
12 entitled and duly authorized to enter into and deliver this Order. In particular, and without limiting the
13 generality of the foregoing, each party warrants and represents that it is fully entitled to enter into the
14 covenants, and undertake the obligations set forth herein.

15 14. **Counterparts**. The Parties agree that this Order may be executed in one or more
16 separate counterparts, each of which, when so executed, shall be deemed an original and taken together
17 shall constitute one and the same Order.

18 15. **Signatures**. This Order may be executed by facsimile or scanned signature, and any
19 such facsimile or scanned signature by any party hereto shall be deemed to be an original signature and
20 shall be binding on such party to the same extent as if such facsimile or scanned signature were an
21 original signature.

22 16. **Capacity to Contract**. Each signatory hereto covenants that he or she possesses all
23 necessary capacity and authority to sign and enter into this Order.

24 17. **Headings and Governing Law**. The headings to the paragraphs of this Order are
25 inserted for convenience only and will not be deemed a part hereof or affect the construction or
26 interpretation of the provisions hereof. This Order shall be construed and enforced in accordance with
27 and governed by California law.

28 18. **Public Record**. James Preimesberger acknowledges that this Order and the Desist and

1 Refrain Order referenced herein are public records.

2 19. **Effective Date.** This Order shall become final and effective when signed by all parties
3 and delivered by electronic mail to Peter Scott, Attorney at Law, at Pscott@earlysullivan.com.

4 Dated: 3/25/19 JAN LYNN OWEN
5 Commissioner of Business Oversight

6
7 By _____
8 MARY ANN SMITH
9 Deputy Commissioner
10 Enforcement Division

11 Dated: 2/20/19 By _____
12 JAMES PREIMESBERGER

13 APPROVED AS TO FORM:

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15 By: _____
16 PETER SCOTT
17 Early Sullivan Wright Gizer & McRae LLP
18 Attorneys for James Preimesberger
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