

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

TO: Frank J. Ferris
2235 Park Towne Circle, Suite 100
Sacramento, California 95825

DESIST AND REFRAIN ORDER

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

The California Corporations Commissioner finds that:

1. At all relevant times, Frank J. Ferris (“Ferris”), was an attorney operating the Law Offices of Frank J. Ferris, with the business address of 2235 Park Towne Circle, Suite 100 Sacramento, California 95825.

2. Beginning in or around August 2007, Ferris offered and sold securities in the form of promissory notes that evidenced an investment in a real estate scheme. Ferris stated that the investment would be used to “flip” property that would then be developed into condominiums.

3. Ferris told investors that the investment returns could be as much as one hundred percent (100%), in addition to ten percent (10%) of Ferris’s “profits” from the real estate transactions.

4. These securities were offered or sold in this state in an issuer transaction. The Department of Corporations has not issued a permit or other form of qualification authorizing any person to offer and sell these securities in this state.

5. In connection with this offer, Ferris included untrue statements of a material fact, including that the investors would receive a return of their money plus at least “simple interest”, even if the deals did not go through. In addition, Ferris claimed that the investors’ funds would “never leave escrow until all of your funds have been replaced”. In fact, the investors’ funds were not safely placed in or kept in escrow, and the investors did not receive a return of their principal investment as promised.

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1 Based on the foregoing findings, the California Corporations Commissioner is of the
2 opinion that the promissory notes offered and sold by Frank J. Ferris are securities subject to
3 qualification under the California Corporate Securities Law of 1968 (“CSL”) and are being or have
4 been offered or sold without being qualified or exempt, in violation of Section 25110 of the CSL.
5 The California Corporations Commissioner is of the further opinion that securities were offered and
6 sold by means of written or oral communications that included untrue statements of a material fact in
7 violation of 25401 of the Corporations Code.

8 Pursuant to Section 25532 of the CSL, Frank J. Ferris is hereby ordered to desist and refrain
9 from the further offer or sale in the State of California of securities, including, but not limited to
10 promissory notes, unless and until qualification has been made under said law or unless exempt. In
11 addition, Frank J. Ferris is hereby ordered to desist and refrain from offering or selling securities in
12 this state, including but not limited to promissory notes, by means of any written or oral
13 communication which includes an untrue statement of a material fact or omits to state a material fact
14 necessary in order to make the statements made, in light of the circumstances under which they are
15 made, not misleading

16 This Order is necessary, in the public interest, for the protection of investors and consistent
17 with the purposes, policies, and provisions of the CSL.

18 Dated: July 19, 2011

19 Los Angeles, California

PRESTON DuFAUCHARD

California Corporations Commissioner

22 By _____
23 ALAN S. WEINGER
24 Deputy Commissioner