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

TO: Donald E. Dougherty
Groves Mobile Home Real Estate, Inc., formerly known as
Dougherty & Thompson, Inc.
5200 Irvine Boulevard
Irvine, CA 92620-2013

DESIST AND REFRAIN ORDER

(For violations of section 25210 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Donald E. Dougherty (“Dougherty”) is a licensed real estate broker and the principal of Groves Mobile Home Real Estate, Inc. (“Groves Mobile Home Real Estate”), a California corporation. Groves Mobile Home Real Estate changed its name from Dougherty and Thompson, Inc. on December 3, 2001.

2. Dougherty and Groves Mobile Home Real Estate maintain their office at the Groves Mobile Home Park, 5200 Irvine Boulevard in Irvine, California 92620-2013. The Groves Mobile Home Park is owned, maintained and operated by The Groves Homeowners, Inc., a California nonprofit mutual benefit corporation. Dougherty and Groves Mobile Home Real Estate lease their office from The Groves Homeowners, Inc.

1 3. Most if not all new residents of the Groves Mobile Home Park purchase memberships of
2 The Groves Homeowners, Inc. Memberships of The Groves Homeowners, Inc. are securities
3 evidenced by Certificates of Membership. Each Certificate of Membership contains the legend:
4

5 It is unlawful to consummate a sale or transfer of this security, or any interest therein, or to
6 receive any consideration therefore, without the prior written consent of the Commissioner of
7 Corporations of the State of California, except as permitted in the Commissioner's rules.
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9 4. Memberships of The Groves Homeowners, Inc. are sold to new residents for amounts set
10 by the board of The Groves Homeowners, Inc. Currently the amount is approximately \$ 88,000.
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12 5. For a period of approximately six years, Dougherty and Groves Mobile Home Real Estate
13 have been providing services as a real estate agent in connection with purchases and sales of mobile
14 homes in the Groves Mobile Home Park. In connection with those transactions, Dougherty and
15 Groves Mobile Home Park have been charging commissions, calculated as a percentage of the price
16 of the membership of The Groves Homeowners, Inc., for effecting transfers of the memberships of
17 The Groves Homeowners, Inc. from mobile home sellers to mobile home purchasers. Neither
18 Dougherty nor Groves Mobile Home Real Estate have either applied for or obtained the written
19 consent of the Commissioner of Corporations to receive consideration for the transfer of the
20 memberships.
21

22 5. By effecting transfers of the memberships of The Groves Homeowners, Inc., Dougherty
23 and Groves Mobile Home Real Estate have engaged in the business of effecting transactions in
24 securities in this state.
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26 6. Neither Dougherty nor Groves Mobile Home Real Estate has either applied for or secured
27 from the Commissioner a certificate authorizing him or it to act in the capacity of a broker-dealer.
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1 Based upon the foregoing facts, the California Corporations Commissioner is of the opinion
2 that Donald E. Dougherty and Groves Mobile Home Real Estate, Inc. have effected the purchase and
3 sale of securities as a broker-dealer without having first applied for and secured from the
4 Commissioner a certificate authorizing either or both of them to act in that capacity, in violation of
5 section 25210 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the Corporate
6 Securities Law of 1968, Donald E. Dougherty and Groves Mobile Home Real Estate, Inc. are hereby
7 ordered to desist and refrain from effecting any transaction in, or inducing or attempting to induce the
8 purchase or sale of, any security in this state, unless and until they have applied for and secured from
9 the Commissioner a certificate authorizing them to act in that capacity.
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11 This Order is necessary, in the public interest, for the protection of investors and consistent
12 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.
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14 Dated: April 4, 2005
15 Sacramento, California

16 WILLIAM P. WOOD
17 California Corporations Commissioner

18 By _____
19 ALAN S. WEINGER
20 Supervising Counsel
21 Enforcement Division
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