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

TO: Besorat Investments, Inc.
Michael Anthony Hershman, also known as Tony Hershman
628 Lindero Canyon, No. 420
Oak Park, California 91377

**DESIST AND REFRAIN ORDER
(For violations of section 25401 of the Corporations Code)**

The Commissioner of Business Oversight (Commissioner) finds that:

1. At all relevant times, Besorat Investments, Inc. (Besorat) was a California corporation with its last known address at 628 Lindero Canyon, No. 420, Oak Park California 91377. Besorat was engaged in the business of making real estate investments in California.

2. At all relevant times, Michael Anthony Hershman, also known as Tony Hershman (Hershman) was the chief financial officer, secretary, and chief executive officer of Besorat with his last known address at 628 Lindero Canyon, No. 420, Oak Park, California 91377. Hershman was a licensed Department of Real Estate salesperson from October 31, 2002 to November 25, 2022. Hershman was also the director of Capstone Escrow, Inc., a California corporation with its last known address of 27489 Agoura Road, Suite 101, Agoura Hills, California 91301. Capstone Escrow, Inc. was a licensed Department of Business Oversight escrow, holding license number 96DBO-36088, from May 6, 2015 to present.

3. Beginning in 2017, Besorat and Hershman offered securities in California in the form of evidence of indebtedness – investment contracts in Besorat. Besorat and Hershman offered at least one California investor these securities for the purpose of raising funds through “flipping” or buying, fixing up and reselling real estate parcels for a profit. The California investor sent \$200,000 on April 5, 2017 by wire transfer to the Mariners Escrow Corporation with instructions that it be used for the purchase of a real estate parcel through Besorat and Hershman. Besorat and Hershman promised to pay the California investor their entire investment principal plus profit when the real estate parcel was

1 sold, not more than one year from the date of investment. Thus, the investor was promised they
2 would receive \$300,000 by April 5, 2018.

3 4. In connection with the offer or sale of these securities in this state, Besorat and
4 Hershman made the following untrue statements of material facts:

5 a. Besorat and Hershman guaranteed to the California investor that they would return the
6 entire principal investment of \$200,000 plus a profit of at least \$100,000 no later than April 5, 2018.
7 In fact, despite the California investor making numerous requests in 2018 and 2019 for a refund of
8 his principal investment plus profit, Besorat and Hershman have not returned any money to the
9 investor.

10 b. Besorat and Hershman told the California investor that the investment was a “very
11 safe” secure investment, that the rate of return on this investment “will be very good”, the investment
12 would produce “very good proceeds”, and that investor would receive a high rate of return. In fact,
13 the investor has not received any return on his investment from Besorat and Hershman.

14 c. Besorat and Hershman promised that the California investor would receive financial
15 reports on a weekly basis. In fact, the investor received the promised financial reports only two times
16 during the entire investment period, preventing the investor from knowing the viability of his
17 investment.

18 Based on the foregoing, the Commissioner of Business Oversight is of the opinion that the
19 securities in the form of evidence of indebtedness – investment contracts were offered in this state by
20 Besorat Investments, Inc. and Michael Anthony Hershman, also known as Tony Hershman by means
21 of a written or oral communication which included an untrue statement of material fact or omitted to
22 state a material fact necessary to make the statement made, in light of the circumstances under which
23 they were made, not misleading, in violation of Corporations Code section 25401.

24 Pursuant to Corporations Code section 25532, Besorat Investments, Inc. and Michael
25 Anthony Hershman, also known as Tony Hershman are hereby ordered to desist and refrain from
26 offering or selling or buying or offering to buy any security in California, including but not limited to
27 evidence of indebtedness-investment contracts, by means of any written or oral communication
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1 which includes an untrue statement of material fact or omits to state a material fact necessary in order
2 to make the statements made, in light of circumstances under which they were made, not misleading.

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

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6 Dated: June 17, 2019
7 Sacramento, California

MANUEL P. ALVAREZ
Commissioner of Business Oversight

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9 By _____
10 MARY ANN SMITH
11 Deputy Commissioner
12 Enforcement Division

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