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

TO: Peter Smyth
California Investments
PO Box 11136
Marina Del Rey, CA 90295
or
4316 Marina City Drive
Marina Del Rey, CA 90292
or
www.cal-investments.com

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

The California Corporations Commissioner finds that:

1. Peter Smyth is an individual whose last known address is PO Box 11136, Marina Del Rey, California, 90295 and 4316 Marina City Drive, Marina Del Rey, California, 90292.
2. At all relevant times herein, California Investments is a business entity of unknown organization founded by Peter Smyth. California Investments maintains a website at www.cal-investments.com.
3. At all relevant times herein, Peter Smyth claims to be the “President/Broker” of California Investments.
4. According to California Investments’ website, it is “a leading Los Angeles based real estate and mortgage company successfully operating and in good standing since 1986”. The website also offers to find “investment opportunities for Real Estate Investors”.
5. In November 2007, a Los Angeles Times online classified advertisement offered “Investors” a 20% return in 90 days. The advertisement stated “Investors, R.E., Receive 20% ret. in 90 days. Min \$50K. Secured”. The advertisement also included a telephone number.
6. The telephone number posted in the Los Angeles Times online classified belonged to Peter Smyth.

1 7. Beginning at least as early as 2007, Peter Smyth individually and doing business under the
2 name California Investments offered securities in the form of investment contracts.

3 8. These investment contracts are securities pursuant to California Corporations Code
4 section 25019.

5 9. These securities were offered in this state in issuer transactions. The Department of
6 Corporations has not issued a permit authorizing any person to offer these securities in this state.

7 10. In connection with the offers of securities, Peter Smyth omitted to disclose to investors
8 that:

- 9 a. In 2007, Peter Smyth was charged with several felony counts, including mortgage
10 foreclosure fraud, Home Equity Sales fraud, grand theft of personal property and attempt
11 to file false or forged instrument. In December 2007, Peter Smyth pled nolo contendere
12 and was convicted of a misdemeanor crime under California Civil Code section 2945.4(g).
13 Peter Smyth was placed on probation for a period of 18 months.
- 14 b. In December 2004, Lawrence Herbert filed a civil complaint against Peter Smyth for
15 fraud, violation of Home Equity Sales Contracts Act, elder abuse, cancellation of written
16 instrument, and intentional infliction of emotional distress. On or about February 2006,
17 the case was settled.

18 Based upon the foregoing, the California Corporations Commissioner is of the opinion that
19 the securities offered by Peter Smyth individually and doing business under the name California
20 Investments was offered in this state by means of oral and written communications which omitted to
21 state material facts necessary in order to make the statements made, in the light of the circumstances
22 under which they were made, not misleading, in violation of section 25401 of the Corporate
23 Securities Law of 1968.

24 Pursuant to section 25532 of the Corporate Securities Law of 1968, Peter Smyth individually
25 and doing business under the name California Investments is hereby ordered to desist and refrain
26 from offering or selling or buying or offering to buy any securities in the State of California,
27 including but not limited to, investment contracts, by means of any written or oral communication
28 which includes an untrue statement of a material fact or omits to state a material fact necessary in

