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

TO: Lifeline Imaging, LLC
Lifeline Imaging Systems, Inc.
2560 E. Chapman Avenue, Suite 157
Orange, CA 92869

DESIST AND REFRAIN ORDER
(For violations of section 25110 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Lifeline Imaging, LLC, is a California limited liability company formed in April 2001. Lifeline Imaging Systems, Inc., is a California corporation formed in March 2003. Since at least June 2002, Lifeline Imaging, LLC, or Lifeline Imaging Systems, Inc., have offered and sold securities in the form of "unit investment partnership units" in, among others, two entities known as Lifeline Imaging of Chandler, AZ, Limited Partnership, and Lifeline Imaging of Los Gatos Medical Investment, L.P.

2. Acting as so-called "fund managers," Lifeline Imaging, LLC, and Lifeline Imaging Systems, Inc., offered and sold up to 600 limited partnership units for \$5000 per unit, purportedly to finance medical imaging centers in California and Arizona. Several hundred investors purchased these or similar investments from Lifeline Imaging, LLC, or Lifeline Imaging Systems, Inc., raising as much as \$6,000,000. The offers were made by means of "cold call" solicitations.

3. These securities were offered or sold in this state in issuer transactions. 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.

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1 Based on the foregoing findings, the California Corporations Commissioner is of the
2 opinion that the "unit investment partnership units" offered and sold by Lifeline Imaging,
3 LLC, and Lifeline Imaging Systems, Inc., are securities in the form of investment contracts
4 subject to qualification under the California Corporate Securities Law of 1968, and are being
5 or have been offered or sold without being qualified, in violation of Section 25110 of the
6 Corporate Securities Law of 1968.

7 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Lifeline Imaging,
8 LLC, and Lifeline Imaging Systems, Inc., are hereby ordered to desist and refrain from the
9 further offer or sale in the State of California of securities in the form of investment
10 contracts, including the "unit investment partnership units" described herein, unless and until
11 qualification has been made under said law or unless exempt. This Order is necessary, in
12 the public interest, for the protection of investors and consistent with the purposes, policies,
13 and provisions of the Corporate Securities Law of 1968.

14 Dated: October 1, 2003
15 Los Angeles, California

16 DEMETRIOS A. BOUTRIS
17 California Corporations Commissioner

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