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

TO: Sunshine Real Estate Development, Inc.,
318 North Carson Street, Suite #208
Carson City, Nevada 89701

Sunshine Real Estate Development, Inc.,
5442 Dungaree Street
Las Vegas, Nevada 89118

Jules Bernard Fleder, President,
Sunshine Real Estate Development, Inc.
1925 Century Park East, Suite 750
Los Angeles, California 90067

Roger Sherman, Secretary and Treasurer
Sunshine Real Estate Development, Inc., a Nevada Corporation
5442 Dungaree Street
Las Vegas, Nevada 89118

DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Sunshine Real Estate Development, Inc. is a Nevada corporation incorporated on November 7, 2000. The address of record for Sunshine Real Estate Development, Inc. is 5442 Dungaree Street, Las Vegas, Nevada 89118.
2. Jules Bernard Fleder, a.k.a. J.B. Fleder, (“Fleder”), is the President of Sunshine Real Estate Development, Inc. Roger Sherman is the Secretary and Treasurer of Sunshine Real Estate Development Inc.

1 3. The principal place of business of Sunshine Real Estate Development, Inc. is 1925 Century
2 Park East, Suite 750, Los Angeles, California 90067.

3 4. The registered Agent for Service of Process for Sunshine Real Estate Development, Inc. is
4 Paracorp Incorporated, whose address is 318 North Carson Street, Suite #208, Carson City, Nevada
5 89701
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7 3. On or about 2001, Sunshine Real Estate Development, Inc. and Fleder entered into written
8 agreements selling investment interests in a "Joint Venture Agreement" for the development of
9 certain residential real estate located in Greenwood County, South Carolina. The written agreements
10 stated that the "name of this joint venture shall be Sunshine-Highland Forest and [name of investor]
11 joint venture and each party, shall by resolution by its participants, cause all appropriate enabling
12 documents to be filed, generated or produced, allowing this joint venture to be undertaken in the
13 name of each respective party. Each party represents that there is no legal prohibition upon their
14 respective entity to enter into this joint venture."
15

16 4. The written agreement also states, "Duration - This joint venture shall commence upon the
17 execution of this agreement and shall continue for the period of 1 year(s), or until terminated by
18 mutual consent. If either party wishes to terminate the agreement at the end of the year they shall
19 give notice of their intention to the other party no later than sixty (60) days prior to the end of the
20 twelve-month period. In the event, the property listed in this Real Estate Joint Venture Agreement is
21 not sold during the first year of this agreement then the agreement is automatically extended for a
22 second year, all terms and conditions of the Real Estate Joint Venture Agreement will apply during
23 the second year. In the event of a second year extension, the capital fund placing general partner
24 shall have the right to be paid the first year's interest."
25

26 5. The written agreement also states "Sunshine, which is currently in the business of real estate
27 development, shall offer real estate purchased by Sunshine to the joint venture. The joint venture
28 shall have the right of first refusal to purchase additional real estate as presented. Sunshine will

1 manage and operate the joint venture. The real property shall be acquired and maintained in the
2 name of the joint venture until such time as Sunshine has sold the property.”

3 6. The written agreement also provided that “At the time of sale, joint venture general partner
4 shall receive cash back plus an additional amount equal to 12% profit per annum on all monies
5 contributed.” And that “Sunshine is to act as a sales agent to sell the real property as listed herein on
6 behalf of the joint venture.”

7 7. Sunshine Real Estate Development, Inc. did not in fact acquire or maintain the real property
8 described in the agreements in the name of the joint venture.

9 8. Sunshine Real Estate Development, Inc. did not in fact return the principal to the investors
10 after they had requested it in a timely manner within 2 years of the execution of the agreement.

11 9. The Department of Corporations has not issued any permit, license or other form of
12 authorization, approval or qualification to allow any person to offer and sell investment contracts or
13 joint venture interests in Sunshine Real Estate Development, Inc.

14 Based upon the foregoing findings, the California Corporations Commissioner is of the
15 opinion that the investment contracts and joint venture interests in Sunshine Real Estate
16 Development, Inc. constitute securities, which are subject to qualification under the California
17 Corporate Securities Law of 1968, and that these securities have been and are being offered and sold
18 without being qualified.

19 The California Corporations Commissioner is of the further opinion that the investment
20 contracts and joint venture interests in Sunshine Real Estate Development, Inc. have been and are
21 being offered and sold in this State by means of written and oral communications, which include
22 untrue statements or omissions of material facts, in violation of section 25401 of the California
23 Corporate Securities Law of 1968.

24 Pursuant to Corporations Code section 25532, Jules Bernard Fleder, Roger Sherman and
25 Sunshine Real Estate Development, Inc. are hereby ordered to desist and refrain from the further offer
26 or sale in the State of California of investment contracts and joint venture interests in Sunshine Real
27 Estate Development, Inc., unless and until qualification has been made under the California
28 Corporate Securities Law.

1 Pursuant to Corporations Code section 25532, Jules Bernard Fleder, Roger Sherman and
2 Sunshine Real Estate Development, Inc. are hereby further ordered to desist and refrain from the
3 further offer or sale in the State of California of investment contracts and/or joint venture interests in
4 Sunshine Real Estate Development, Inc., by means of any written or oral communication which
5 includes untrue statements or omissions of material facts.

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

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9 Dated: December 1, 2004
10 Sacramento, California

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11 William P. Wood
12 California Corporations Commissioner

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14 By _____
15 VIRGINIA JO DUNLAP
16 Deputy Commissioner
17 Enforcement and Legal Services Division

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