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

TO: Ronald Dean Hernandez
12024 Acosta Court
Waterford, CA 95386

and

614 Scenic Drive, Suite 104
Modesto, CA 95350

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

The California Corporations Commissioner finds that:

1. At all relevant times, Ronald Dean Hernandez was also known as Ron Hernandez (hereinafter “Hernandez”).
2. Beginning in or about October 2001, Hernandez offered or sold investments, in the State of California in the form of investment contracts for units in Branson City Limits, Inc. (hereinafter “Branson City”) and Resort Hotels, Inc. (hereinafter “Resort Hotels”) investments.
3. The purported purpose of the Branson City securities offerings was to sell interests in specified resort or timeshare hotel rooms with a promise of a specified annual rate of return for a certain number of years. The investors were given the option to use the rooms themselves, rent the rooms out themselves, or use a local leasing company, Ozark Ticket and Travel, Inc. (hereinafter “Ozark”), to rent the rooms out with a promised return of 9% -11% annually.

1 4. The purported purpose of Resort Hotels securities offering was structured with the same
2 essential characteristics as the Branson City investment, but involved different hotel facilities than the
3 Branson City investment.

4
5 5. The investors who purchased the Branson City and Resort Hotels investments were
6 predominately elderly, unsophisticated, and non-accredited investors.

7
8 6. Hernandez offered or sold securities in the form of investment contracts in Branson City and
9 Resort Hotels to at least two California investors.

10
11 7. In connection with these offers and sales, Hernandez represented to investors that:

12 a. The investment was safe and not risky. In fact, the investment was very risky and
13 investors suffered significant losses on their investment.

14 b. Investors would receive a specified return on their investment for a specified number
15 of years. In fact, only some of the investors received a few of the promised interest payments. Others
16 received no payment at all. None of the investors received the full amount as promised.

17
18 8. In connection with these offers and sales, Hernandez failed to disclose to investors that:

19 a. In September of 1999, the Tennessee Commissioner of Commerce and Insurance
20 issued a Cease-and-Desist Order (No: 99-013) enjoining Dennis R. Weaver (hereinafter "Weaver"), a
21 co-owner, founder, and managing member of Branson City and Resort Hotels, from selling
22 unregistered securities and acting as an agent of an unregistered broker-dealer and enjoining an entity
23 controlled by Weaver from acting as an unregistered broker-dealer.

24 b. In October 1999, the Franklin Kentucky Circuit Court issued an Order of Permanent
25 Injunction (Civil Action No. 99-CI-717) enjoining Weaver, and an entity he controlled, from
26 violating an anti-fraud provision of the Kentucky securities laws and from offering and selling
27 unregistered securities.

1 c. In February 1995, Lee E. Larscheid, the owner and President of Ozark who
2 participated in the fraudulent scheme, by providing leasing services for investors – investors were
3 encouraged to use Ozark to lease the hotel rooms thereby generating the promised 9% - 11% return,
4 was convicted of bank fraud in violation of 18 U.S.C. § 1344, a felony, for his part in an unrelated
5 fraudulent scheme.

6
7 Based upon the foregoing findings, the California Corporations Commissioner is of the
8 opinion that the investment contracts representing units in Branson City and Resort Hotels coupled
9 with the leasing contracts with Ozark are securities subject to qualification under the California
10 Corporate Securities Law of 1968 and are being or have been offered or sold without being qualified
11 in violation of Corporations Code section 25110. Pursuant to section 25532 of the Corporate
12 Securities Law of 1968, Ronald Dean Hernandez is hereby ordered to desist and refrain from the
13 further offer or sale of securities in the State of California, including but not limited to investment
14 contracts, unless and until qualification has been made under the law.

15
16 Further, the California Corporations Commissioner is of the opinion that the securities in the
17 form of investment contracts in Branson City and Resort Hotels were offered or sold in this state by
18 means of written or oral communications which included an untrue statement of a material fact or
19 omitted to state a material fact necessary in order to make the statements made, in the light of the
20 circumstances under which they were made, not misleading, in violation of section 25401 of the
21 Corporate Securities Law. Pursuant to section 25532 of the Corporate Securities Law, Ronald Dean
22 Hernandez is hereby ordered to desist and refrain from offering or selling or buying or offering to buy
23 any security in the State of California, including but not limited to investment contracts, by means of
24 any written or oral communication which includes an untrue statement of a material fact or omits to
25 state a material fact necessary in order to make the statements made, in the light of the circumstances
26 under which they were made, not misleading.

27
28 This Order is necessary, in the public interest, for the protection of investors and consistent

1 with the purposes, policies, and provisions of the Corporate Securities Law of 1968. This order shall
2 remain in full force and effect until further order of the California Corporations Commissioner.

3
4 Dated: November 2, 2005
5 Sacramento, California

6 WAYNE STRUMPFER
7 Acting California Corporations Commissioner

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9 By: _____
10 ALAN S. WEINGER
11 Acting Deputy Commissioner
12 Enforcement Division
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