

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

TO: Bruce Hutchison a.k.a. Bruce Hutchinson
Encore Pacific Managers, Inc.
Encore West Condos, LLC
2118 Wilshire Boulevard, Suite 583
Santa Monica, CA 90403

DESIST AND REFRAIN ORDER

(For violations of sections 25110 and 25401 of the California Corporations Code)

The California Corporations Commissioner finds that:

1. At all times relevant hereto, Encore Pacific Managers, Inc. (“Encore Pacific”) was a California corporation with a principal place of business at 2118 Wilshire Boulevard, Suite 583, Santa Monica, CA 90403. Encore Pacific was licensed by the Department of Corporations as a California Finance Lender on July 10, 2006, with an address of record of 2701 Ocean Park Boulevard, #240A, Santa Monica, California 90403. Its license was revoked as of January 15, 2009 for failure to maintain a surety bond.

2. At all times relevant hereto, Encore West Condos, LLC (“Encore West Condos”) was a California limited liability company located at 2118 Wilshire Boulevard, Suite 583, Santa Monica, California 90403. Encore Pacific is the sole manager of Encore West Condos.

3. At all relevant times hereto, Bruce Hutchison a.k.a Bruce Hutchinson (“Hutchison”) was an individual with a business address of 2118 Wilshire Boulevard, Suite 583, Santa Monica, CA 90403. Hutchison is the president of Encore Pacific and Encore West Condos.

4. Encore Pacific maintains a web site at www.encorepacificmanagers.com. It describes itself as a “Mortgage Fund . . . [that] helps the investor, retail borrower and the mortgage professional with

1 a range of loan products . . . [including] construction, bridge, purchase and refinance programs, all
2 based upon common sense underwriting” In addition, a section entitled “Investors” contains the
3 following general solicitation, “If you are an investor inquiring about our Mortgage Fund, download
4 the Investor Questionnaire.” The site also invites the general public, “To purchase a Membership
5 Interest” by completing an “Investor Questionnaire.” A separate section entitled “Contact Us” seeks
6 name and contact information.
7

8 5. Encore Pacific, Encore West Condos and Hutchison have offered or sold securities,
9 including without limitation “Membership Interests,” promissory notes and/or investment contracts to
10 the general public through general solicitations on its web site.
11

12 6. Further, in or about June, 2006, Encore Pacific, Encore West Condos and Hutchison
13 offered an investment to a California resident (“Investor”). In offering the investment, Encore Pacific,
14 Encore West Condos and Hutchison represented that they were managing various real estate
15 development projects, and were acquiring investors to participate in an investment fund that would go
16 toward developing condominiums at either or both of the following locations:
17

18 a. Adjoining lots located at:

19 7339 Romaine Street, West Hollywood, CA 90046;

20 7349 Romaine Street, West Hollywood, CA 90046; and

21 1016 N. Martel Avenue, West Hollywood, CA 90046;
22

23 b. “Encore’s Foxfield-Lancaster investment” located at General William J. Fox

24 Airfield, 4555 West Avenue “G,” Lancaster, CA 93536.
25

26 7. Encore Pacific, Encore West Condos and Hutchison represented to the Investor that this
27 particular investment fund had been established “for some time” and that there were other investors
28 already participating in the fund. Encore Pacific, Encore West Condos and Hutchison also told the

1 Investor that they had hired an architect who would build the condominiums, and showed the Investor
2 pictures of the planned development. In addition, Encore Pacific, Encore West Condos and Hutchison
3 told the Investor that they had entered into leases to develop the hangars on Foxfield and were
4 involved with the contractors who, in turn, were involved with the airport administrators so that they
5 could have a “sweetheart deal.”
6

7 8. Encore Pacific, Encore West Condos and Hutchison stated that the Investor’s money would
8 go toward these ongoing real estate development projects, and the Investor would receive profits from
9 his investment. They also stated that the Investor would receive a subscription agreement as well as
10 paperwork evidencing his investment within a day or two of making the investment.
11

12 9. On or about July 18, 2006, the Investor accepted the offer and gave Encore Pacific, Encore
13 West Condos and Hutchison \$100,000.00 to participate in the purported investment fund.

14 10. Encore Pacific, Encore West Condos and Hutchison offered and sold securities in the form
15 of membership interests, promissory notes and/or investment contracts by means of oral
16 communications which included untrue statements of material fact and which omitted to state material
17 facts necessary in order to make the statements made, in light of the circumstances under which they
18 were made, not misleading. The misrepresentations and omissions of material fact include:
19

- 20 a) Investor’s \$100,000.00 would go toward developing condominiums on the above-
21 mentioned properties and developing hangars on Foxfield airport; in fact, Encore Pacific,
22 Encore West Condos and Hutchison never intended to use Investor’s money for the real
23 estate development projects, and Hutchison immediately withdrew the money and
24 converted it for his own personal use.
25
26 b) There were other investors who had already contributed to the investment fund; in fact,
27 Investor was the first and only outside investor.
28

1 c) At the time of the offer, June of 2006, Encore West Condos had already been established
2 “for some time”; in fact, Encore West Condos was only incorporated with the Secretary of
3 State on June 12, 2006, at about the same time that Investor made the investment.
4

5 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
6 that Encore Pacific, Encore West Condos and Hutchison engaged in the offer and sale of securities in
7 the form of membership interests, promissory notes and/or investment contracts. These securities
8 were not qualified under the California Corporate Securities Law of 1968, set forth at California
9 Corporations Code section 25000 *et. seq.*, in violation of section 25110 of the Corporations Code.
10 Pursuant to section 25532 of the Corporations Code, Bruce Hutchison a.k.a. Bruce Hutchinson,
11 Encore Pacific Managers, Inc. and Encore West Condos, LLC are hereby ordered to desist and refrain
12 from the further offer or sale in the State of California of securities, including but not limited to
13 membership interests, promissory notes and/or investment contracts, unless and until qualification has
14 been made under said law or unless exempt.
15
16

17 Further, the Corporations Commissioner is of the opinion that Encore Pacific, Encore West
18 Condos and Hutchison offered and sold securities in the form of membership interests, promissory
19 notes and/or investment contracts by means of oral communications including untrue statements of
20 material facts and omissions of material facts necessary to make the statements, in light of the
21 circumstances under which they were made, not misleading, in violation of section 25401 of the
22 California Corporations Code. Pursuant to section 25532 of the Corporations Code, Bruce Hutchison
23 a.k.a. Bruce Hutchinson, Encore Pacific Managers, Inc. and Encore West Condos, LLC are hereby
24 ordered to desist and refrain from offering or selling any security, including without limitation
25 membership interests, promissory notes and/or investment contracts, in the State of California by
26 means of any written or oral communication which includes an untrue statement of a material fact, or
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

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

Dated: May 5, 2009
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Acting Deputy Commissioner
Enforcement Division