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

**TO: HL Leasing, Inc.
Dan Ramirez
3439 West Shaw Avenue
Fresno, California 93711**

DESIST AND REFRAIN ORDER

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

The California Corporations Commissioner (“Commissioner”) finds that:

1. At all relevant times herein, HL Leasing, Inc. (“HL Leasing”) conducted business from its primary office located at 3439 West Shaw Avenue, Fresno, California, 93711.
2. As of December 2000, HL Leasing was registered as an active California corporation with the California Secretary of State.
3. At all relevant times, John W. Otto (“Otto”) held himself out as the chief executive officer and chairman of the board of HL Leasing. On May 11, 2009, Otto died of a self-inflicted gunshot wound to the head.
4. At all relevant times, Dan Ramirez (“Ramirez”) held himself out as a sales agent and executive officer of HL Leasing.
5. Beginning on or about May 2006, HL Leasing mailed flyers to customers offering the opportunity to invest in American Express leases that would pay 9% interest-only monthly payments.
6. HL Leasing would solicit new investors, who were often referred by accountants or through word of mouth, by providing them with a list of contact information for current investors who could vouch for timely monthly interest payments and consistently high returns.
7. Beginning in or about May 2006, HL Leasing, Otto, and Ramirez offered investors “loan agreements” guaranteeing returns of at least 9% paid on a monthly basis. HL Leasing promised to repay the loan in full upon maturation of the note unless the investor elected to reinvest the principal.

1 8. In connection with the offer or sale of the loan agreements, HL Leasing, Otto, and Ramirez
2 represented that each “lender” would be assigned an interest in an equipment lease as collateral for
3 the loan. The equipment lease that purportedly collateralized the loan was only identified by an
4 internally assigned “lease number”—most investors never received a copy of a corresponding lease.

5 9. Beginning in or about January 2008, HL Leasing provided investors the option of depositing
6 monthly interest payments into self-directed independent retirement accounts administered by
7 Colorado-based Trust Company of America.

8 10. Beginning in or about April 2009, HL Leasing ceased issuing monthly interest payments to
9 hundreds of California investors who had collectively invested millions of dollars with HL Leasing.

10 11. In or about May 2009, the HL Leasing office in Fresno was closed for business following the
11 death of Otto.

12 12. In connection with the offer or sale of these securities, HL Leasing, Otto, and Ramirez made,
13 or caused to be made, misrepresentations of material fact or omitted to state material facts necessary
14 in order to make the statements made, in the light of the circumstances under which they were made,
15 not misleading. These misrepresentations and omissions included, but are not limited to:

16 (1) Falsely stating in the loan agreement that HL Leasing is “licensed by the California
17 Department of Corporations;” and,

18 (2) Failing to disclose to investors that the securities offered in the form of “loan
19 agreements” or notes collateralized by equipment leases are not qualified in violation of section
20 25110 of the Corporate Securities Law of 1968.

21 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
22 that the securities in the form of loan agreements or notes collateralized by equipment leases, offered
23 and sold by HL Leasing, Inc., John W. Otto, and Dan Ramirez are securities subject to qualification
24 under the California Corporate Securities Law of 1968 and are being or have been offered and sold
25 without being qualified, in violation of Section 25110 of the Corporate Securities Law of 1968.

26 Pursuant to section 25532 of the Corporate Securities Law of 1968, HL Leasing, Inc. and
27 Dan Ramirez are hereby ordered to desist and refrain from the further offer or sale in the State of
28 California of securities, including but not limited to loan agreements or notes collateralized by

1 equipment leases, unless and until qualification has been made under said law or unless exempt. The
2 offer and sale of such securities is subject to qualification under said law and such securities are being
3 or have been offered for sale without first being so qualified.

4 Further, the California Corporations Commissioner is of the opinion that the securities offered
5 by HL Leasing , Inc., John W. Otto, and Dan Ramirez were offered in this state by means of written
6 or oral communications that included untrue statements of material fact or omitted to state material
7 facts necessary in order to make the statements made, in the light of the circumstances under which
8 they were made, not misleading, in violation of section 25401 of the Corporate Securities Law of
9 1968.

10 Pursuant to Section 25532 of the Corporate Securities Law of 1968, HL Leasing , Inc. and
11 Dan Ramirez are hereby ordered to desist and refrain from offering or selling or buying or offering to
12 buy any security in the State of California including, but not limited to, loan agreements or notes
13 collateralized by equipment leases, by means of any written or oral communication which includes an
14 untrue statement of a material fact or omits to state a material fact necessary in order to make the
15 statements made, in the light of the circumstances under which they were made, not misleading.

16 This Order is necessary, in the public interest, for the protection of investors and consistent
17 with the purposes, policies, and provisions of the Corporate Securities Law of 1968. This Order shall
18 remain in full force and effect until further order of the California Corporations Commissioner.

19 Dated: June 18, 2009
20 Los Angeles, California

21 PRESTON DuFAUCHARD
22 California Corporations Commissioner

23 By: _____
24 ALAN S. WEINGER
25 Deputy Commissioner
26 Enforcement Division
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