

1 STATE OF CALIFORNIA
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY
3 DEPARTMENT OF CORPORATIONS

4 TO: Chad Robley
5 RT Urban Row Homes, LLC
6 Robley Tonsing Developments, LLC
7 311 4th Street, Suite 412
8 San Diego, CA 92101

9 **DESIST AND REFRAIN ORDER AND CONSENT**

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

11 RT Urban Row Homes, LLC, Robley Tonsing Developments, LLC and Chad Robley consent
12 to the jurisdiction of the Department of Corporations over their persons and over the subject matter of
13 this proceeding. Further, without admitting or denying the below allegations, RT Urban Row Homes,
14 LLC, Robley Tonsing Developments, LLC and Chad Robley consent to the entry of this Desist and
15 Refrain Order and Consent, made pursuant to California Corporations Code sections 25110 and
16 25401.

17 **Findings**

18 1. At all relevant times, RT Urban Row Homes, LLC is and was a California limited liability
19 company, formed on February 8, 2005, with a listed address of 311 4th Street, Suite 412, San Diego,
20 California 92101.

21 2. At all relevant times, Robley Tonsing Developments, LLC is and was a California limited
22 liability company, formed on February 8, 2005, with a listed address of 311 4th Street, Suite 412, San
23 Diego, California 92101. At all relevant times, Robley Tonsing Developments, LLC was the manager
24 of RT Urban Row Homes, LLC.

25 3. At all relevant times, Chad Robley was the manager of Robley Tonsing Developments, LLC.

26 4. Beginning in or about 2005, RT Urban Row Homes, LLC, Robley Tonsing Developments,
27 LLC and Chad Robley offered and sold securities, in the form of limited liability company units, in
28 the State of California.

1 5. The purported purpose of the offering of securities in RT Urban Row Homes, LLC was to
2 fund the acquisition, development, construction and sale of row homes located in San Diego,
3 California.

4 6. Through general solicitations, in the form of an investor recruitment network, RT Urban Row
5 Homes, LLC, Robley Tonsing Developments, LLC and Chad Robley offered and sold securities in
6 the State of California.

7 7. In connection with the offers and sales of securities, RT Urban Row Homes, LLC and Robley
8 Tonsing Developments, LLC represented to investors and potential investors that Chad Robley was a
9 successful businessman. However, RT Urban Row Homes, LLC and Robley Tonsing Developments,
10 LLC failed to disclose to investors and potential investors that:

11 a. A company that Chad Robley controlled, Logo Gear, Inc., had filed for bankruptcy.
12 On or about January 25, 2002, Logo Gear, Inc. filed for Chapter 7 bankruptcy in the United States
13 Bankruptcy Court for the Southern District of California; and

14 b. Chad Robley, as well as two companies controlled by him, Logo Gear, Inc. and
15 Mindgruve, had been defendants in numerous legal actions and other proceedings, including, but not
16 limited to:

17 i. In or about January 2002, Cleveland Press filed a civil complaint against Chad
18 Robley and Mindgruve in the Superior Court for the County of San Diego. The complaint alleged
19 breach of contract. In or about April 2003, the parties settled, whereby Chad Robley and Mindgruve
20 agreed to perform services worth \$9,968.47.

21 ii. In or about October 2001, Bonded Carpet, Cleaning, Sales & Services, Inc.
22 filed a civil complaint against Logo Gear, Inc. and Chad Robley in the Superior Court for the County
23 of San Diego. The complaint alleged breach of contract and fraud. In or about December 2001, the
24 court entered a judgment against Logo Gear, Inc. and Chad Robley in the amount of \$22,997.71.

25 iii. In or about September 2001, SMK Electronics Corporation filed a civil
26 complaint against Logo Gear, Inc. and Chad Robley in the Superior Court for the County of San
27 Diego. The complaint alleged breach of contract, conversion and other causes of action. In or about
28 August 2002, the parties settled, whereby Logo Gear, Inc. and Chad Robley agreed to pay SMK

1 Electronics Corporation \$8,500.00.

2 iv. In or about July 2001, Commercial Press, Inc. filed a civil complaint against
3 Logo Gear, Inc. in the Superior Court for the County of San Diego. The complaint alleged breach of
4 contract against Logo Gear, Inc. In or about November 2001, the court entered a judgment against
5 Logo Gear, Inc. in the amount of \$8,190.81.

6 v. In or about May 2000, SC New Haven Corporation filed a civil complaint
7 against Logo Gear, Inc. in the Superior Court for the County of San Diego. The complaint alleged
8 that Logo Gear, Inc. failed to pay for goods, wares, and merchandise. In or about August 2000, the
9 court entered a default judgment against Logo Gear, Inc. in the amount of \$17,773.60.

10 8. In connection with the offers and sales of securities, RT Urban Row Homes, LLC and Robley
11 Tonsing Developments, LLC misrepresented to investors and potential investors that Chad Robley
12 had previous experience with real estate development projects. In fact, at all relevant times, Chad
13 Robley had no prior experience with real estate development projects.

14
15 Based upon the foregoing findings, the California Corporations Commissioner is of the
16 opinion that the securities, in the form of limited liability company units, that were offered or sold are
17 securities subject to qualification under the California Corporate Securities Law of 1968 and are
18 being or have been offered or sold without being qualified in violation of Corporations Code section
19 25110. Pursuant to section 25532 of the Corporate Securities Law of 1968 (California Corporations
20 Code section 25110 et seq.), RT Urban Row Homes, LLC, Robley Tonsing Developments, LLC and
21 Chad Robley are hereby ordered to desist and refrain from the further offer or sale in the State of
22 California of securities, including but not limited to limited liability company units, unless and until
23 qualification has been made under the law or unless exempt.

24
25 Further, the Commissioner is of the opinion that the securities, in the form of limited liability
26 company units, that are being or have been offered and sold by RT Urban Row Homes, LLC and
27 Robley Tonsing Developments, LLC were offered and sold in this state by means of written or oral
28 communications which included an untrue statement of a material fact or omitted to state a material

1 fact necessary in order to make the statements made, in the light of the circumstances under which
2 they were made, not misleading in violation of Corporations Code section 25401. Pursuant to section
3 25532 of the Corporate Securities Law of 1968, RT Urban Row Homes, LLC is hereby ordered to
4 desist and refrain from offering or selling or buying or offering to buy any security in the State of
5 California, including but not limited to limited liability company units, by means of any written or
6 oral communication which includes an untrue statement of a material fact or omits to state a material
7 fact necessary in order to make the statements made, in the light of the circumstances under which
8 they were made, not misleading.

9
10 RT Urban Row Homes, LLC, Robley Tonsing Developments, LLC and Chad Robley waive
11 their right to a hearing on this matter, provided for by the Corporate Securities Law of 1968 section
12 25532, subdivision (d). Furthermore, RT Urban Row Homes, LLC, Robley Tonsing Developments,
13 LLC and Chad Robley waive any and all review by a court of law, including that provided by
14 California Government Code section 11523 and California Code of Civil procedure section 1094.5.

15
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.

18 Dated: 2/28/12 _____
19 San Diego, California Chad Robley, individually

20 Dated: 2/28/12 _____
21 San Diego, California RT Urban Row Homes, LLC,
22 a California limited liability company
23 By: Robley Tonsing Developments, LLC,
24 a California limited liability company
25 its: Manager
26 By: _____
27 Chad Robley, Manager of
28 Robley Tonsing Developments, LLC

26 Dated: 3/12/12 _____
27 Los Angeles, California ~~PRESTON DUFACHARD~~ JAN LYNN OWEN by ASW
28 California Corporations Commissioner
By: _____
ALAN S. WEINGER
Deputy Commissioner