State of California - Department of Corporations

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

TO: Jerry Shulman
Lifestyles Resorts, Inc.
1711 Irvine Avenue
Newport Beach, CA 92660

DESIST AND REFRAIN ORDER

(For violations of section 25110 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Lifestyles Resorts, Inc. ("Lifestyles") is or was a California corporation, formed in March 2002.

2. At all relevant times Jerry Shulman ("Shulman") is or was President of Lifestyles.

3. Beginning in or about April 2002, Shulman and Lifestyles offered and sold securities in the form of Series A 12% convertible preferred stock and common stock purchase warrants in Lifestyles.

4. Through publishing the $5,000,000 Private Placement Memorandum ("PPM") Offering for Lifestyles on its website at www.lifestylesresorts.com and by distributing it at trade shows, Shulman and Lifestyles solicited investments from individuals. Shulman and Lifestyles sold at least $40,000.00 worth of convertible preferred stock and common stock purchase warrants to investors.

5. The purported purpose of Lifestyles in its PPM dated March 30, 2002 was to provide adult-oriented travel/resort locations based upon interval ownership and pay-per-use. The estimated use of proceeds from this Offering were to pay the expenses of the Offering, establish a resort service center, obtain development plans for resorts and to commence marketing.

6. These securities were offered or sold in this state in issuer transactions. The Department of Corporations has not issued a permit or other form of qualification authorizing any person to offer and sell these securities in this state.

Based on the foregoing findings, the California Corporations Commissioner is of the opinion that the convertible preferred stock and common stock purchase warrants in Lifestyles are securities subject to qualification under the California Corporate Securities Law of 1968 and are being or have been offered or sold without being qualified. Pursuant to Section 25532 of the Corporate Securities Law of 1968, Jerry Shulman and Lifestyles Resorts, Inc., are hereby ordered to desist and refrain from the further offer or sale in the State of California of securities in the form of convertible preferred stock and common stock purchase warrants, unless and until qualification has been made under said law. The sale of such securities is subject to qualification under said law and such securities are being or have been offered for sale without first being so qualified.

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: December 15, 2005

Los Angeles, California

WAYNE STRUMPFER
Acting California Corporations Commissioner

By_____
ALAN S. WEINGER
Acting Deputy Commissioner
Enforcement Division

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