

1 STATE OF CALIFORNIA  
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
3 DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION

4 TO: Pacific Private Money Group LLC  
5 Pacific Private Money, Inc. dba Pacific Private Money Loans  
6 Pacific Private Money Fund I LLC  
7 Pacific Freedom Fund LLC  
8 Pacific Opportunity Fund LLC  
9 Arrival Fund I, LLC  
10 1555 Grant Ave.  
11 Novato, California 94945

12 Pacific Southwest Note Fund LLC  
13 5109 82<sup>nd</sup> Street, Suite 71135  
14 Lubbock, Texas 79424

15 Mark Dieter Hanf  
16 59 Via Los Altos  
17 Belvedere Tiburon, California 94920

18 Hoai-Nam Chu Phan aka Nam Phan  
19 84 Stasia Drive  
20 Novato, California 94947

21 **DESIST AND REFRAIN ORDER**

22 **(For violations of section 25401 of the Corporations Code)**

23 The Commissioner of Financial Protection & Innovation (Commissioner) finds:

24 1. Pacific Private Money, Inc. dba Pacific Private Money Loans (PPMI) is a California  
25 Corporation formed in 2008. PPMI conducted business from 1555 Grant Ave. Novato, California  
26 94945. PPMI was a loan originator, broker, and servicer. It operated under California Financing Law  
27 (CFL) License No. 605-4605. On April 6, 2026, the Commissioner summarily revoked PPMI's CFL  
28 license.

1. PPMI is owned by Pacific Private Money Group LLC. Pacific Private Money Group  
LLC is a holding company which owns a group of affiliated operating corporations and LLCs  
(collectively, Pacific Private). Pacific Private Money Group LLC is owned by Pacific Capital  
Funding Group Inc. Mark Dieter Hanf (Hanf) owns 90% of Pacific Capital Funding Group Inc., and

1 Hoai-Nam Chu Phan aka Nam Phan (Phan) owns 10%.

2 3. At all relevant times, Hanf was PPMI’s founder, President, Chief Executive Officer,  
3 Chief Financial Officer, and Secretary and was a control person of Pacific Private. Hanf resides in  
4 Marin County, California.

5 4. Phan joined PPMI in 2015, and at various points, worked as PPMI’s Chief Operating  
6 Officer, General Manager, and Business Development Director. Phan resides in Marin County,  
7 California.

8 5. From at least 2013 through at least November of 2025, Pacific Private, by and through  
9 Hanf and Phan, raised at least \$139 million from over 400 investors in five real estate investment  
10 funds:

- 11 a. Pacific Private Money Fund LLC (created March 7, 2013), managed by Private  
12 Pacific Money Group LLC, required a \$50,000 minimum investment and  
13 advertised 6-7.5% returns. Investors’ funds in the Pacific Private Money Fund  
14 would be used to originate or purchase real estate-secured notes and loans secured  
15 by non-owner occupied residential, multifamily, small commercial properties, and  
16 short-term bridge loans on owner occupied residences.
- 17 b. Pacific Freedom Fund LLC (created March 18, 2020), managed by PPMI, required  
18 a \$250,000 minimum investment and offered investors fixed 7-9% returns based  
19 on the amount invested. The Freedom Fund claimed to operate like a warehouse  
20 line of credit for PPMI. Additionally, the Freedom Fund told investors it would  
21 “originate, purchase, fund, acquire and sell loans secured by interests in real or  
22 personal property.” The Freedom Fund told investors that they could withdraw  
23 their funds to cash in 15-30 days without penalty.
- 24 c. Pacific Southwest Note Fund LLC (created May 26, 2020), managed by Pacific  
25 Southwest Management Group LLC, required a \$50,000 minimum investment and  
26 offered investors fixed 8% returns. Investors’ funds in the Pacific Southwest Note  
27 Fund would be used primarily to purchase performing, first-position residential  
28 mortgage notes. The Southwest Note Fund would use “proprietary software

1 developed over 20 years” to identify and buy seller carry-back mortgage notes at  
2 discounts.

3 d. Pacific Opportunity Fund LLC (created November 29, 2022), managed by Pacific  
4 Private Money Partners LLC, required a \$100,000 minimum investment and  
5 targeted returns of 10%. Investors’ funds in the Pacific Opportunity Fund would be  
6 used to lend to real estate development companies which would make commercial  
7 bridge loans and construction loans nationwide.

8 e. Arrival Fund I, LLC (created July 3, 2024) managed by Arrival Home Loans,  
9 LLC, required a \$100,000 minimum investment and advertised 10% preferred  
10 returns. Investors’ funds in the Arrival Fund would be used to invest in “various  
11 loans”, and would fund a portion of loans made by Pacific Private Money, Inc.

12 6. These funds are collectively referred to as the Pacific Private Funds. Hanf and Pham  
13 both solicited investors. Investors contributed investments in exchange for membership interests or  
14 units, and those contributions were pooled together with funds from other investors.

15 7. Although the five funds differed in their terms, Hanf, Phan, and Pacific Private  
16 generally told investors their funds would be used to originate or purchase real estate-secured notes  
17 and loans secured by non-owner occupied residential, multifamily, small commercial properties, and  
18 short-term bridge loans on owner occupied residences.

19 8. Pacific Private, Hanf, and Phan told investors that the loans would be secured by real  
20 estate at conservative loan-to-value ratios. Additionally, the private placement memorandums used to  
21 solicit investors in the Pacific Private Funds detailed Hanf’s business experience over his long-  
22 standing career.

23 9. Investors were not involved in the business decisions and were entirely passive. Hanf  
24 signed the subscription and operating agreements on behalf of the Pacific Private entities.

25 10. Investments in Pacific Private and its affiliates constitute securities under California  
26 Corporations Code section 25019.

27 11. In connection with the offer and sale of these securities, Hanf, Phan, and Pacific  
28 Private omitted to state to investors material facts necessary to make statements made, in light of the

1 circumstances under which they were made, not misleading. These omissions included, but were not  
2 limited to, the following:

- 3 a. Hanf, Phan, and Pacific Private failed to disclose that Hanf filed a petition for  
4 chapter 7 bankruptcy and received a discharge in 2007. (Case No. 1:07-BK-10976,  
5 Bankr. N.D. Cal. 2007).
- 6 b. Hanf, Phan, and Pacific Private failed to disclose that in 2014, the Department of  
7 Real Estate (DRE) imposed disciplinary action against PPMI and Hanf's DRE  
8 licenses for, among other things, mishandling trust funds and failing to report self-  
9 dealing transactions to the DRE. Pacific Private and Hanf entered into a  
10 stipulation and settlement agreement with the DRE that included 45-day  
11 suspensions of Pacific Private and Hanf's respective DRE licenses and required  
12 payment of \$4,500 in penalties by each.
- 13 c. Hanf, Phan, and Pacific Private failed to disclose that in 2022, the Commissioner  
14 summarily revoked Pacific Mortgage Capital, LLC's CFL license for failure to file  
15 its annual report as required by Financial Code section 22159. Pacific Mortgage  
16 Capital was an affiliate of Pacific Private; the two companies were owned by the  
17 same parent company and shared a business address. Hanf was also the Manager  
18 and a majority owner of Pacific Mortgage Capital.

19 12. Knowledge of Hanf's bankruptcy, the DRE Accusation and Stipulation, and the  
20 Commissioner's revocation of Pacific Mortgage Capital, LLC's CFL license would alter the total mix  
21 of the information available to investors and was therefore material to a reasonable investor and  
22 necessary to be disclosed to make the statements about the investment made, in the light of the  
23 circumstances under which they were made, not misleading.

24 13. Towards the end of 2025, Pacific Private ceased distributions to investors and froze  
25 withdrawals. In January 2026, Pacific Private hired an outside Chief Restructuring Officer, who told  
26 investors that Pacific Private was in the midst of a severe liquidity crunch, as its assets were tens of  
27 millions of dollars short of its liabilities.

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1 14. To date, investors have not been repaid millions of dollars in investment capital or  
2 returns.

3 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered  
4 and sold by Pacific Private Money, Inc. and the Pacific Private Funds, by and through Hanf and Phan,  
5 were offered and sold in this state by means of written or oral communications that included untrue  
6 statements of material fact or omitted to state material facts necessary in order to make the statements  
7 made, in the light of the circumstances under which they were made, not misleading, in violation of  
8 section 25401 of the Corporate Securities Law of 1968.

9 Pursuant to section 25532 of the Corporate Securities Law of 1968, Pacific Private Money,  
10 Inc., dba Pacific Private Money Loans, Pacific Private Money Group, LLC, the Pacific Private Funds,  
11 Mark Dieter Hanf, and Hoai-Nam Chu Phan aka Nam Phan are hereby ordered to desist and refrain  
12 from offering or selling or buying or offering to buy any security in the State of California by means  
13 of any written or oral communication which includes an untrue statement of a material fact or omits  
14 to state a fact necessary in order to make the statements made, in the light of the circumstances under  
15 which they were made, not misleading.

16 Pursuant to Corporations Code section 25403, any person who knowingly controls or induces  
17 another person to violate a provision of the Corporate Securities Law of 1968, or any person who  
18 knowingly provides substantial assistance to another person in violation of the Corporate Securities  
19 Law of 1968 shall also be liable for the violation.

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

22 Dated: May 4, 2026  
23 Sacramento, California

KHALIL MOHSENI  
Commissioner of Financial Protection &  
Innovation



24  
25  
26 By \_\_\_\_\_  
27 MARY ANN SMITH  
28 Deputy Commissioner