

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 WAYNE STRUMPFER  
Deputy Commissioner  
3 ALAN S. WEINGER (CA BAR NO. 86717)  
Lead Corporations Counsel  
4 MARY ANN SMITH (CA BAR NO. 230943)  
Senior Corporations Counsel  
5 Department of Corporations  
1515 K Street, Suite 2090  
6 Sacramento, California 95814  
7 Telephone: (916) 322-6067  
Facsimile: (916) 445-6985

8 Attorneys for Complainant

9  
10 BEFORE THE DEPARTMENT OF CORPORATIONS  
11 OF THE STATE OF CALIFORNIA

12	In the Matter of	)	CASE NO.
13		)	
14	THE CALIFORNIA CORPORATIONS	)	FILE NO. 506-2484
15	COMMISSIONER,	)	
16	Complainant,	)	ORDER REVOKING THE EFFECTIVENESS
17	v.	)	OF PERMIT
18		)	[Corporations Code section 25140]
19	ESTATE FINANCIAL MORTGAGE FUND,	)	
20	LLC.,	)	
21	Respondent.	)	

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23 1. On April 28, 2008, the California Corporations Commissioner (“Commissioner”) initiated  
24 this action pursuant to Corporations Code section 25140(a)(1) to revoke the permit issued to Estate  
25 Financial Mortgage Fund, LLC. (“Respondent”).

26 2. Estate Financial Mortgage Fund, LLC. is a California limited liability company located at  
27 806 9th Street, Suite 1A, Paso Robles, California 93446.  
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1 3. On May 21, 2007, the Commissioner issued a permit under Corporations Code section 25113  
2 to Estate Financial Mortgage Fund, LLC. to offer and sell securities in the form of membership  
3 interests in the Estate Financial Mortgage Fund, LLC (“The Fund”). The Fund invests its capital in  
4 promissory notes secured by deeds of trust and related security documents and instruments  
5 encumbering one or more parcels of developed or undeveloped real property in California. The  
6 permit expires on May 21, 2008.

8 4. The permit was issued under a limited offering qualification authorizing the offer and sale of  
9 Respondent’s securities only to investors with (a) a net worth (exclusive of home, furnishings and  
10 automobiles) of at least \$250,000 and an annual gross income of at least \$65,000; or (b) a net worth  
11 (exclusive of home, furnishings and automobiles) of at least \$500,000 and the amount of each  
12 investor’s investment must not exceed 25% of such investor’s net worth (exclusive of home,  
13 furnishings and automobiles.)

15 5. In April 2008, the Department determined that Respondent was violating the terms of the  
16 permit in the following manner:

18 a. Failing to disclose that Respondent was no longer making monthly interest payments  
19 to investors in the Fund in direct contradiction of the representations made in the Offering Circular.

20 b. Failing to provide prospective investors with the subscription agreement, operating  
21 agreement and suitability questionnaire prior to accepting investment funds.

22 c. Failing to disclose that loans to affiliated companies exceeded 15% of the Fund’s  
23 total assets in direct contradiction of the representations made in the Offering Circular.

24 d. Failing to disclose that as of December 31, 2006, more than 5% of the Fund’s loans  
25 were to affiliated companies of the Fund Manager: Republic Properties, Inc., First Press Partners,  
26 LLC, and Second Press Partners, LLC in direct contradiction of the representations made in the  
27 Offering Circular.  
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6. On April 28, 2008, the Commissioner issued a Notice Of Intention To Enter An Order Revoking Permit Issued Under Section 25113, Accusation and accompanying documents against Estate Financial Mortgage Fund, LLC., based upon the above.

Based upon the foregoing, the Commissioner finds it is in the public interest to revoke the permit issued to Respondent and that Respondent's proposed plan of business and proposed issuance of securities is no longer fair, just and equitable because the Respondent's Offering Circular contains material misrepresentations about the investment and the Respondent is not conducting business as disclosed in the Offering Circular.

NOW GOOD CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED that the Permit issued by the Commissioner to Estate Financial Mortgage Fund, LLC. on May 21, 2007 is hereby revoked. This order is effective as of the date hereof.

Dated: May 28, 2008  
Sacramento, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Alan S. Weinger  
Lead Corporations Counsel