

1  
2  
3  
4  
5  
6  
7  
8

**STATE OF CALIFORNIA  
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
DEPARTMENT OF BUSINESS OVERSIGHT**

9  
10  
11  
12  
13  
14  
15  
16  
17  
18

TO: Glenn H. Larsen  
Charles J. Flynn  
Marin Mortgage Bankers Corporation  
336 Bon Air Center, Suite 505  
Greenbrae, California 94904

19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**DESIST AND REFRAIN ORDER  
(For violations of section 25401 of the Corporations Code)**

The Commissioner of Business Oversight finds that:

1. Marin Mortgage Bankers Corporation (“Marin Mortgage Bankers”) is a corporation incorporated in California in December 1996 with a principal place of business at 336 Bon Air Center, Suite 505, Greenbrae, California 94904. At all times relevant, Glenn H. Larsen (“Larsen”) was the president of Marin Mortgage Bankers and Charles J. Flynn (“Flynn”) was a sales agent. Marin Mortgage Bankers was the manager of the MMB Mortgage Fund, LLC, a California limited liability company since May 1998 and MMB Mortgage Fund II, LLC, a California limited liability company since October 2005 (“the Funds”).

2. Beginning in 1998 and at least through 2010, Marin Mortgage Bankers, Larsen, and Flynn offered and sold to California investors securities in the form of fractional interests in loans secured by deeds of trust and promissory notes secured by deeds of trust on California real property. At times investors purchased securities in one or more of the Funds and at other times investors purchased securities in Marin Mortgage Bankers itself.

3. A California investor, who purchased a security in Marin Mortgage Bankers and not one of the Funds, filed a civil action against Marin Mortgage Bankers, Larsen, and Flynn in the Marin County Superior Court (Case Number CIV 1101598). Following a trial by jury, judgment was entered against the Marin Mortgage Bankers, Larsen, and Flynn for misrepresentations and material omissions in the offer and sale of fractional interests in secured real estate loans in violation of

1 Corporations Code section 25401. Among other things, at trial Marin Mortgage Bankers, Larsen, and  
2 Flynn were found to have made misstatements regarding the value of property, and failed to disclose  
3 material encumbrances on property securing the deeds. The appellate court affirmed the judgment.

4 4. This Desist and Refrain Order is based on the violations of Corporations Code section  
5 25401 found in the judgment of the Marin County Superior Court, and applies to all offers and sales  
6 of securities whether invested in Marin Mortgage Bankers or one of the Funds.

7 Based upon the foregoing findings, the Commissioner of Business Oversight is of the opinion  
8 that the securities in the form of fractional interests in loans secured by deeds of trust and promissory  
9 notes secured by deeds of trust on California real property were offered or sold in this state by Marin  
10 Mortgage Bankers, Larsen, and Flynn through means of written or oral  
11 communications which included untrue statements of material facts and/or omitted to state a material  
12 facts necessary in order to make the statements made, in the light of the circumstances under which  
13 they were made, not misleading, in violation of subdivision (b) section 25401 of the Corporate  
14 Securities Law of 1968.

15 Pursuant to section 25532 of the Corporations Code, Marin Mortgage Bankers Corporation,  
16 Glenn H. Larsen, and Charles J. Flynn are hereby ordered to desist and refrain from offering or  
17 selling or buying or offering to buy any security in the State of California, including but not limited to  
18 fractional interests in loans secured by deeds of trust and promissory notes secured by deeds of trust  
19 on California real property, by means of any written or oral communication which includes an untrue  
20 statement of a material fact or omits to state a material fact necessary in order to make the statements  
21 made, in the light of the circumstances under which they were made, not misleading.

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

24 Dated: May 29, 2015  
25 Sacramento, California

JAN LYNN OWEN  
Commissioner of Business Oversight

26 By \_\_\_\_\_  
27 MARY ANN SMITH  
28 Deputy Commissioner  
Enforcement Division