

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

4 TO: William Warren Baker  
5 MB Financial Services, Inc., d.b.a.  
6 South County Realty & TD Investments  
7 MB TDI, Inc.  
8 30100 Town Center Drive, Ste. O-#171  
9 Laguna Niguel, California 92677

10 **DESIST AND REFRAIN ORDER**

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

12 The California Corporations Commissioner finds that:

13 1. At all relevant times herein, MB Financial Services, Inc., d.b.a. South County Realty  
14 & TD Investments (“MB Financial”), a Nevada corporation, which was formed in February 2003 was  
15 located at 30100 Town Center Drive, Ste. 0-#171, Laguna Niguel, California 92677. The Nevada  
16 Secretary of State revoked MB’s corporation status.

17 2. At all relevant times herein, MB TDI, Inc. (“MB TDI”), a California corporation,  
18 which was formed in April 2007 was located at the same address as MB Financial.

19 3. At all relevant times herein, William Warren Baker (“Baker”) was the President of  
20 both MB Financial and MB TDI.

21 4. Beginning in or about 2003 and continuing through at least August 2007, Baker and  
22 MB Financial and MB TDI offered and sold securities in the form of promissory notes and stock,  
23 respectively in MB Financial and MB TDI to more than ten investors totaling close to \$1,000,000.

24 5. Baker through MB Financial provided investors with a note secured by deed of trust  
25 stating that investors would receive a return of eighteen percent (18%) per annum on a nine-month  
26 note. Baker represented to investors that their money would go towards purchasing distressed  
27 properties at a discount, refurbishing them and then selling them for a profit (“flipping homes”).  
28 Baker through MB Financial never bought any properties. Furthermore, investors were told that their  
investment would be secured by deeds of trusts on the specific property bought with their investment  
funds.

1           6. Baker through MB TDI offered stock in the company either directly to investors or  
2 had investors in MB Financial roll-over their promissory note investments to MB TDI stock. Baker  
3 told investors that MB TDI would invest in real estate by either buying more distressed properties on  
4 a larger scale than MB Financial by using lines of credit worth millions and/or by pooling investor  
5 money to purchase loans instead of homes.

6           7. In connection with the offer and sale of these securities, Baker, MB Financial and MB  
7 TDI made material misrepresentations of facts and also omitted to state material facts necessary in  
8 order to make the statements made, in the light of the circumstances under which they were made, not  
9 misleading. These misrepresentations and omissions included, but are not limited to the following:

10           a. Investors were told that their investments would be secured by real estate  
11 deeds of trusts on the specific property their investment money bought when in actuality no  
12 properties were ever purchased;

13           b. Investors were told that the investment would earn 18% per annum when in  
14 actuality the investment earned nothing;

15           c. Investors were not told that they were investing in a ponzi scheme and that any  
16 returns received on their investment money came from other investor money and not from any profits  
17 derived from flipping homes;

18           d. Investors were not told that Baker was using investor money for his own  
19 personal use; and

20           e. Investors were not told of Baker's prior Desist and Refrain Order issued by the  
21 Department of Corporations on May 5, 1997 for violations of Corporations Code section 25110 for  
22 the offer and sale of unqualified, non-exempt securities in the form of promissory notes.

23           The California Corporations Commissioner is of the opinion that the securities offered and  
24 sold by William Warren Baker, MB Financial Services, Inc., d.b.a. South County Realty  
25 & TD Investments and MB TDI, Inc. were offered and sold in this state by means of written or oral  
26 communications that included untrue statements of material fact or omitted to state material facts  
27 necessary in order to make the statements made, in the light of the circumstances under which they  
28 were made, not misleading, in violation of section 25401 of the Corporate Securities Law of 1968.

1 Pursuant to Section 25532 of the Corporate Securities Law of 1968, William Warren Baker,  
2 MB Financial Services, Inc., d.b.a. South County Realty & TD Investments and MB TDI, Inc. are  
3 hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security  
4 in the State of California, including, but not limited to, promissory notes in MB Financial Services,  
5 Inc., d.b.a. South County Realty & TD Investments and stock in MB TDI, Inc. by means of any  
6 written or oral communication which includes an untrue statement of a material fact or omits to state  
7 a material fact necessary in order to make the statements made, in the light of the circumstances  
8 under which they were made, not misleading.

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

11 Dated: November 9, 2009  
12 Los Angeles, California

13 PRESTON DuFAUCHARD  
14 California Corporations Commissioner

15 By \_\_\_\_\_  
16 ALAN S. WEINGER  
17 Deputy Commissioner  
18 Enforcement Division  
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