

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

TO: SOM Financial Services  
700 Ygnacio Valley Road, Suite 280  
Walnut Creek, CA 94596

Manu Victor Desai  
(a.k.a. Manu Vo Desai, Munn Desai, Munu Vai Desai, Manny Desai)  
2319 Calhoun Court  
Antioch, CA 94509

**DESIST AND REFRAIN ORDER**

(For violations of California Corporations Code section 25230)

The California Corporations Commissioner finds that:

1. Manu Victor Desai, was at all relevant times the Principal and the General Manager of SOM Financial Services, a business entity of unknown origin located at 700 Ygnacio Valley Road, Suite 280, Walnut Creek, CA 94596.
2. Manu Victor Desai is also known as Manu Vo Desai, Munn Desai, Munu Vai Desai and Manny Desai ("Desai") and resides at 2319 Calhoun Court, Antioch, CA 94509.
3. Through the use of newspapers, such as the Contra Costa Times, Desai placed advertisements that solicited investors inviting them to contact "SOM FINANCIAL SERVICES [in] Walnut Creek, CA FDIC – REGISTERED DEPOSIT BROKERS" at the local or toll free number appearing in the advertisements. Some of the advertisements described investments, such as certificates of deposit.
4. Desai represented himself as providing financial services through SOM Financial Services, an unlicensed entity. Desai gave investors a brochure bearing the name of the Advent Trust Company, along with the printed name and logo of SOM Financial Services and his name appearing below the name of the Advent Trust Company. The brochures stated that "your broker, in alliance with Advent Trust Company can offer a broad range of services." These included: "[a]ssistance in producing a comprehensive investment plan that suits your individual needs." and "[o]bjective advice that can only come from a licensed professional in the investment business who represents your interest and not the interest of some family of investments." The brochure also described investments in brokered certificates of deposit.

5. Desai and SOM Financial Services offered financial advice about brokered certificates of deposit to investors. For these services to investors, Desai received compensation, which was calculated at the rate of ten percent (10%) of the amount invested.
6. A person who, for compensation, engages in the business of advising others, either directly or through publications or writings as to the value of securities or as to the advisability of investing in purchasing or selling securities, is an investment adviser. Brokered certificates of deposit are securities under California law.
7. Desai and SOM Financial provided investment advice to investors about brokered certificates of deposits. Engaging in such activities requires a certificate from the Commissioner authorizing the person to conduct business as an investment adviser. The Department of Corporations has not issued a certificate authorizing Desai or SOM Financial Services to conduct business as an investment adviser in this State.
8. The investment advice by Desai and SOM Financial Services concerning the brokered certificates of deposit to California residents is not subject to exemption from the requirement to obtain a certificate.

Based upon the foregoing, the California Corporations Commissioner is of the opinion that Manu Desai and SOM Financial Services conducted business as investment advisers without having first applied for and secured from the Commissioner a certificate, then in effect, authorizing these persons to act in that capacity in violation of section 25230 of the Corporate Securities Law of 1968.

Pursuant to section 25532 of the Corporate Securities Law of 1968, Manu Victor Desai (also known as Manu Vo Desai, Munn Desai, Manu Vai Desai and Manny Desai) and SOM Financial Services are hereby ordered to desist and refrain from conducting business as an investment adviser in the State of California, unless and until certification has been made under said law or unless exempt. 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: January 21, 2003  
Los Angeles, California

DEMETRIOS A. BOUTRIS  
California Corporations Commissioner

By \_\_\_\_\_  
ALAN S. WEINGER  
Supervising Counsel  
Enforcement and Legal Services Division

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DEPARTMENT OF CORPORATIONS**

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2319 Calhoun Court  
Antioch, CA 94509

SOM Financial Services  
700 Ygnacio Valley Road, Suite 280  
Walnut Creek, CA 94596

**DESIST AND REFRAIN ORDER**

(For violations of California Corporations Code section 25130)

The California Corporations Commissioner finds that:

1. Manu Victor Desai, an individual, is also known as Manu Vo Desai, Munn Desai, Munu Vai Desai and Manny Desai ("Desai"). Desai resides at 2319 Calhoun Court, Antioch, CA 94509.
2. Desai was at all relevant times the Principal and the General Manager of SOM Financial Services, a business entity of unknown origin located at 700 Ygnacio Valley Road, Suite 280, Walnut Creek, CA 94596.
3. Through the use of newspapers, such as the Contra Costa Times, Desai placed advertisements that solicited investors for a "CD Special" offering for a "limited time only 7% APY." The minimum investment to obtain the stated interest was \$10,000. The advertisements invited the reader to contact "SOM FINANCIAL SERVICES [in] Walnut Creek, CA FDIC – REGISTERED DEPOSIT BROKERS," listing both local and toll free numbers for the reader to telephone for information.
4. Investors who contacted Desai were given a brochure of the Advent Trust Company, a Texas Trust Company. The brochures described their National Custodial Program wherein the Advent Trust Company proffers investors administration and custodial services for certificates of deposit.
5. Desai would give an investor a custodial agreement and other documents reflecting that their investment in a brokered certificate of deposit was held for them in an account at the Advent Trust Company.

6. The investments offered and sold by Desai and SOM Financial Services in brokered certificates of deposits are securities under California law. These securities were offered and sold in California in nonissuer transactions. The Department of Corporations has not issued a permit or other form of qualification authorizing any person to offer or sell these securities in this State.

7. The offer and sale of brokered certificates of deposit by Desai and SOM Financial Services to California residents, having been offered and sold through advertisements, are not subject to exemption from qualification. The sale of such securities are subject to qualification under said law and such securities are being or have been offered for sale without first being so qualified.

Based upon the foregoing, the California Corporations Commissioner is of the opinion that the brokered certificates of deposit are securities subject to the California Corporate Securities Law of 1968, and are being or have been offered or sold without being qualified in violation of section 25130 of the Corporate Securities Law of 1968.

Pursuant to section 25532 of the Corporate Securities Law of 1968, Manu Victor Desai (also known as Manu Vo Desai, Munn Desai, Manu Vai Desai and Manny Desai) and SOM Financial Services are hereby ordered to desist and refrain from offering, selling, buying or offering to buy any security in the form of brokered certificates of deposit in the State of California, unless and until qualification has been made under said law or unless exempt. 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: January 21, 2003  
Los Angeles, California

DEMETRIOS A. BOUTRIS  
California Corporations Commissioner

By \_\_\_\_\_  
ALAN S. WEINGER  
Supervising Counsel  
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SOM Financial Services  
700 Ygnacio Valley Road, Suite 280  
Walnut Creek, CA 94596

**DESIST AND REFRAIN ORDER**

(For violations of California Corporations Code section 25401)

The California Corporations Commissioner finds that:

1. Manu Victor Desai, an individual, is also known as Manu Vo Desai, Munn Desai, Munu Vai Desai and Manny Desai ("Desai"). Desai resides at 2319 Calhoun Court, Antioch, CA 94509.
2. Desai was at all relevant times the Principal and the General Manager of SOM Financial Services, a business entity of unknown origin located at 700 Ygnacio Valley Road, Suite 280, Walnut Creek, CA 94596.
3. Through the use of newspapers, such as the Contra Costa Times, Desai placed advertisements that solicited investors for a "CD Special" offering for a "limited time only 7% APY." The minimum investment to obtain the stated interest was \$10,000. The advertisements invited the reader to contact "SOM FINANCIAL SERVICES [in] Walnut Creek, CA FDIC – REGISTERED DEPOSIT BROKERS" listing both local and toll free numbers for the reader to telephone for information.
4. Investors who contacted Desai were given a brochure of the Advent Trust Company, a Texas Trust Company. The brochures described their National Custodial Program wherein the Advent Trust Company proffers investors administration and custodial services for certificates of deposit.
5. Desai gave investors a custodial agreement and other documents reflecting that the brokered certificates of deposit were held for them in an account at the Advent Trust Company. The investments offered and sold by Desai and SOM Financial Services in brokered certificates of deposits are securities under California law.

6. The brokered certificates of deposit by Desai and SOM Financial Services to California residents were offered and sold in California by means of the following misrepresentations of material facts:

- (a) The brokered certificates of deposit were superior to one purchased at a bank because the principal could be withdrawn at any time without a penalty;
- (b) Account Activity Statements would be provided to investor;
- (c) Desai and SOM Financial Services were licensed as FDIC Registered Deposit Brokers; and
- (d) Securities were offered through Lighthouse Capital Corporation.

7. The brokered certificates of deposit by Desai and SOM Financial Services to California residents were offered and sold in California by means of the following omissions of material facts:

- (a) The term of the brokered certificates of deposit was ten years;
- (b) An investor's principal could only be withdrawn if another investor's funds were placed in the investment program;
- (c) The FDIC no longer has "Registered Deposit Brokers."

Based upon the foregoing, the California Corporations Commissioner is of the opinion that Manu Victor Desai and SOM Financial Services violated section 25401 of the Corporate Securities Law of 1968 by offering or selling a security in this State by means of oral or written communication which included an untrue statement of a material fact or omitted to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading.

Pursuant to section 25532 of the Corporate Securities Law of 1968, Manu Victor Desai (also known as Manu Vo Desai, Munn Desai, Munu Vai Desai and Manny Desai) and SOM Financial Services are ordered to desist and refrain from offering or selling any security in the State of California by means of misrepresentations and omissions of material facts. 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: January 21, 2003  
Los Angeles, California

DEMETRIOS A. BOUTRIS  
California Corporations Commissioner

By \_\_\_\_\_  
ALAN S. WEINGER  
Supervising Counsel  
Enforcement and Legal Services Division