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

TO: EquityFund Financial, Inc.
Jon Patrick Anderson, President
Michael Royce Montrief, Officer
Steve Holland, Executive Vice President
2081 Business Center Drive, Suite 136
Irvine, CA 92612

DESIST AND REFRAIN ORDER
(For violation of section 25110 of the Corporations Code)

The California Corporations Commissioner finds that:

1. EquityFund Financial, Inc. (“EquityFund Financial”) is a California corporation incorporated on April 17, 2007. It maintains a principal place of business at 2081 Business Center Drive, Suite 136, Irvine, California 92612.
2. According to corporate records maintained by the California Secretary of State, Jon Patrick Anderson (“Anderson”) is the president of EquityFund Financial.
3. EquityFund Financial holds a license issued by the California Department of Real Estate (“DRE”). According to DRE records, Michael Royce Montrief (“Montrief”) is a real estate broker and designated officer of EquityFund Financial.
4. At all relevant times, Steve Holland (“Holland”) acted as executive vice president of EquityFund Financial.

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2 5. Through general solicitations on the Internet, by email, and by mail, EquityFund
3 Financial offered or sold securities in the form of investment contracts and notes.

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5 6. EquityFund Financial maintains a website at www.equityfundfinancial.com. The home
6 page contains a link entitled “Investor.” Upon clicking on that link, a page entitled “Investment
7 Opportunities” appears. The “Investment Opportunities” page contains a link entitled “Information
8 about Property-backed Investment.” This document invites the reader to “Earn 10.75% to 19.99%
9 annual return on California Trust Deed Investments!” It states that the opportunity is available to
10 private investors and high net worth individuals. The document describes and offers investments in
11 trust deeds secured by residential real estate. It states that the investor will receive profits in the form
12 of interest-only payments. In addition to soliciting investments, it also offers a finder’s fee in
13 exchange for referrals.

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15 7. On November 28, 2007, an employee of the Department of Corporations
16 (“Department”) received an unsolicited email from EquityFund Financial. The email offered
17 investments secured by real estate which would generate annual returns of 10.75% to 19.99%. The
18 email claimed that the collateral securing the investment would have 35% or more protective equity.
19 The email said, in bold print and containing a hyperlink, “Please follow this link for a complete list of
20 available trust deeds and their particulars or to contact me for further information.” The email
21 purported to be from Steve Holland as senior vice president of EquityFund Financial.

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23 8. On November 30, 2007, another employee of the Department emailed Steve Holland to
24 inquire about the above-described investments. The employee asked whether the investments are in
25 fractionalized trust deeds. Holland replied on November 30, 2007 that the company does offer
26 investments that “pool money or fractionalize the trust deed....”
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1 9. In his email reply to the employee, Holland asked for the employee’s mailing address
2 so that he could send her an investor package.

3
4 10. The Department’s employee subsequently received an investor package from
5 EquityFund Financial. The documents in the investor package described and offered the same
6 investments as described in paragraphs 6 and 7 above. The investor package also contained additional
7 documents, including a list of properties labeled as “Available TD Investments.” A letter to the
8 investor contained in the package states that the investment is secured by a promissory note with a
9 10.75% to 19.99% rate of return. The package also contained Steve Holland’s business card, which
10 identifies him as executive vice president of EquityFund Financial.

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12 11. These securities were offered or sold in this state in issuer transactions. The
13 Department of Corporations has not issued a permit or other form of qualification authorizing any
14 person to offer or sell these securities in this state.

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16 Based upon the foregoing findings, the California Corporations Commissioner is of the opinion
17 that the investments that are being or have been offered or sold by EquityFund Financial, Jon Patrick
18 Anderson, Michael Royce Montrief, and Steve Holland are securities subject to qualification under the
19 California Corporate Securities Law of 1968 and are being or have been offered or sold without being
20 qualified in violation of Corporations Code section 25110. Pursuant to section 25532 of the Corporate
21 Securities Law of 1968, EquityFund Financial, Inc., Jon Patrick Anderson, Michael Royce Montrief,
22 and Steve Holland are hereby ordered to desist and refrain from the further offer or sale in the State of
23 California of securities, including but not limited to investment contracts and notes, unless and until
24 qualification has been made under the law or unless exempt.

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

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Dated: January 28, 2008
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
ALAN S. WEINGER
Lead Corporations Counsel
Enforcement Division