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CLERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

*[Signature]* DEPUTY

MOLLY M WHITE, Cal. Bar No. 116037  
KELLY BOWERS, Cal. Bar No. 164007  
VICTORIA A. LEVIN, Cal. Bar No. 166616  
SUSAN F. HANNAN, Cal. Bar No. 097604

Attorneys for Plaintiff  
Securities and Exchange Commission  
Randall R. Lee, Regional Director  
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Briane Nelson Mitchell, Associate Regional Director  
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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

EMVEST MORTGAGE FUND, LLC,  
EMVEST, INC., and MILON LYLE  
BROCK,

Defendants.

Case No: 04 CV 2295 DMS (LSP)

DECLARATION OF CHESTER A.  
SABLE

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1           18. Attached as Exhibit 17 is a true and correct copy of the April 2004  
2 Emvest Newsletter which I received from representatives of the Fund.

3 I declare under penalty of perjury that the foregoing is true and correct.

4 Executed this 29 day of October, 2004.

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7 Chester A. Sable  
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UNITED STATES OF AMERICA  
SECURITIES AND EXCHANGE COMMISSION  
5670 Wilshire Boulevard, 11<sup>th</sup> Floor  
Los Angeles, California 90036  
Attn: Susan Hannan

2004 AUG 31 AM 1:16

**Investor Questionnaire**  
**RE: Emvest Mortgage Fund, LLC (LA-2864)**

The staff of the United States Securities and Exchange Commission requests that you complete this questionnaire about your investment(s) with Emvest Mortgage Fund, LLC. Your response is entirely voluntary. SEC Form 1662 entitled "Supplemental Information for Persons Requested to Supply Information Voluntarily or Directed to Supply Information Pursuant to a Commission Subpoena" is enclosed. If you choose not to answer a question, please continue to the next question until you complete the questionnaire.

**IF YOU HAVE ANY QUESTIONS ABOUT THIS QUESTIONNAIRE,  
PLEASE CALL SUSAN HANNAN (323) 965-3857 STAFF ATTORNEY FOR THE  
SECURITIES AND EXCHANGE COMMISSION.**

**GENERAL INFORMATION**

1. Investor Name(s):

Chester A. Sable  
Alice J. Sable Trust  
(if joint investment, please include spouse's name)

2. Address:

30880 Avenida Buena Suerte  
Temecula, Ca. 92591

3. Home Phone: 909 506 0901

4. Work Phone:                     

5. Preferred number and best time to reach you. Home Phone - 8<sup>00</sup>AM - 5<sup>00</sup>PM

6. Age(s): 77 - 72

7. What is the state of your residency? Calif.

8. Occupation(s): Both Retired

**INFORMATION ABOUT YOUR INVESTMENT IN EMVEST MORTGAGE FUND, LLC**

*If you need additional space, please use a separate sheet of paper and indicate the number of the question to which you are responding.*

9. How and when did you first learn about Emvest Mortgage Fund, LLC?

Radio Advertising during  
year 2003

10. To whom did you speak about Emvest Mortgage Fund, LLC (existing investor, sales agent, etc.)?

Jack Mollin

11. Who initiated the contact?

I Did

12. Had you ever been contacted by that person before? Yes

13. How were you contacted? (phone, letter, etc.)

Phone & Letter

14. Name, address and phone number of person who contacted you:

Jack Mollin - 619 297 4844  
591 Camino De La Reina  
San Diego, Ca. 92108

15. Approximate date(s) you were contacted:

End of 2003 and  
Beginning of 2004

16. What were you told about Emvest Mortgage Fund, LLC (its operations, revenues, profits, future plans)? Please identify the documents and/or person(s) making the representations, and provide a detailed description of what you were told.

Jack Mollin  
Mostly explained what was  
advertized on the radio.  
12% Interest invested in  
Trust deeds.  
\$1,000.00 per share  
I believe \$10,000.00 investment  
minimum.

17. What were you told about investing in Emvest Mortgage Fund, LLC? Please identify the documents and/or person(s) making the representations, and provide a detailed description of what you were told.

Same as #16

18. How was the Emvest Mortgage Fund security described to you?

At the beginning ~~of~~ I made most of the calls for information then periodically Investors News would come in the mail.

19. What were you told about the return on your investment (how much you would receive, when and how you would receive your returns, etc?) Please identify the documents and/or person(s) making the representations, and provide a detailed description of what you were told.

My interface was mostly with Jack Mollin. It was arranged that I would receive 12% on my investment. The checks would be sent to my checking account.

20. Were you told that checks sent to you by Emvest Mortgage Fund included a return of your principal?

yes       no

21. What were you told about how the money you invested would be used? Please identify the documents and/or person(s) making the representations, and provide a detailed description of what you were told.

Investments are used in 1<sup>st</sup> & 2<sup>nd</sup> Trust Deeds

22. What were you told about the safety or risk of investment in Emvest Mortgage Fund, LLC? Please identify the documents and/or person(s) making the representations, and provide a detailed description of what you were told.

I deal with 1<sup>st</sup> T. Ds  
with other Company's. I  
would say I was  
comfortable in this  
Investment

23. What were you told regarding Emvest Mortgage Fund, LLC's relationship with other entities, such as Emvest, Inc. and Emerald Bay Financial? Please identify the documents and/or person(s) making the representations, and provide a detailed description of what you were told.

My understand is that Emvest  
is part of Emerald Bay  
Financial Inc.

24. Did you receive any documents regarding your investment in Emvest Mortgage Fund, LLC (offering materials, prospectuses, brochures, pamphlets, newsletters, etc)? If so, please list the documents that you received and indicate whether you received the materials before or after you made your investment.

*After*

25. Why did you decide to invest in Emvest Mortgage Fund, LLC?

*Because I have been investing in T.D.s for years*

26. When and how much did you invest in Emvest Mortgage Fund, LLC?

\$150,000.00 End & beginning of  
2003 - 2004

27. Have you borrowed any money to invest in Emvest Mortgage Fund, LLC?

( ) yes (  ) no

If yes, how much have you borrowed?

\_\_\_\_\_  
\_\_\_\_\_

If yes, what and/or who was the source of your loan?

\_\_\_\_\_  
\_\_\_\_\_

28. Have you asked Emvest Mortgage Fund, LLC representatives, either orally or in writing, to send you any of your funds? ( ) yes (  ) no

If yes, what was the response?

\_\_\_\_\_  
\_\_\_\_\_

29. Please list all payments you have received from Emvest Mortgage Fund, LLC.

I have received monthly payments  
since the late part of 2003

30. Have you ever made an oral or written complaint against Emvest Mortgage Fund, LLC or any of its representatives? ( ) yes (  ) no

If yes, when, how and to whom was the complaint made?

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If yes, what was the response or result of the complaint?

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31. Please provide any additional comments you have about your experience with Emvest Mortgage Fund, LLC.

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**BACKGROUND INFORMATION**

32. Your net worth is:

- less than \$250,000     \$250,000-\$500,00     \$500,000 or more

33. Are you married?

- yes     no

If married, has your joint annual income exceeded \$65,000 in each of the past two years?

- yes     no

If not married, has your annual income exceeded \$65,000 in each of the past two years?

- yes     no

34. Highest level of education attained:

- High school     Some college  
 College graduate     Graduate school

35. Before your initial investment, your number of years of investment experience in each of the following categories:

	<u>None</u>	<u>1-5</u>	<u>5-10</u>
Stocks	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bonds	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Commodities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trust Deeds	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Limited Partnerships	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

36. Which of the following best describes your understanding of securities and your relationship with your Emvest Mortgage Fund representative ("ER") at the time of your initial investment?

- I did not consider myself knowledgeable about securities and relied completely on my ER for advice.
- Although I was not an expert in securities, I understood the basics and I was able to evaluate whether my ER's recommendations should be followed.
- I considered myself very knowledgeable and did not need recommendations from my ER.

37. Has your Emvest Mortgage Fund ER or anyone affiliated with Emvest Mortgage Fund contact you concerning other investment opportunities?

- yes       no

If yes, who contacted you and when were you contacted?

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If yes, describe the other investment opportunities that were offered to you.

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**REQUEST FOR INVESTMENT-RELATED DOCUMENTS**

Please attach to this questionnaire copies of all postmarked envelopes, correspondence, offering materials, prospectuses, private placement memoranda, brochures, pamphlets, contracts, agreements, subscription agreements, account statements, notes of telephone conversations or any other written materials that relate to your investment in Emvest Mortgage Fund, LLC.

*Please attach copies (front and back) of any cancelled checks, money orders, bank check receipts, or wire transfer receipts that reflect payment for your investments, or that reflect payment from Emvest Mortgage Fund, LLC to you. Note: Please indicate if you are attaching original documents, instead of copies, so that the originals can be returned to you.*

Also, please attach to this questionnaire a list of all other investors in Emvest Mortgage Fund, LLC of whom you are aware, including addresses and telephone numbers.

**I invested in Emvest Mortgage Fund, LLC. At the request of the United States Securities and Exchange Commission, I have voluntarily provided the above information. I have been furnished with a copy of SEC form 1662. The above information is true and correct to the best of my knowledge.**

Chester A. Sable  
(Signature)

8/24/04  
(Date)

Chester A. Sable  
(Please print your name)

Please have joint investor, if any, sign below:

Alice J. Sable  
(Signature)

8/24/04  
(Date)

ALICE J. SABLE  
(Please print your name)

*Please return the questionnaire and the requested documents in the enclosed envelope as soon as possible. Thank you for your cooperation.*



April 15, 2003

Dear Mr. Sable,

My name is Chris Lake, and I will be the executive providing you with information regarding our Emvest Mtg. Fund, LLC.

I understand you have requested contact information for a referral from the Real Estate Bureau. Steve Bradley, the president of our company, will be contacting you in a few days, to provide you with such contact information. Here is a little information about our company and our fund. If you have any questions regarding this information, please do not hesitate to call. I will follow up in a week or two to answer any questions you might have. Thank you for your interest in our company. Have a great holiday!

**The Emvest Mortgage Fund LLC:** This fund is for the investor who prefers a monthly check, either distributed monthly to the individual, or, into a qualified retirement plan (IRA, 401K) or family trust. The investment returns are generated by funded trust deeds written on properties owned by sub prime borrowers. These trust deeds are warehoused in the Emvest Fund. until they are ultimately sold to private investors or until they mature. They are then replaced by other trust deeds generated by Emerald Bay Financial , Inc.. The properties are all from Southern California..... primarily San Diego County where there exists unique values created by significantly more demand than there are properties to fill the demand.

With a volume of trust deeds in the fund, our investors are sheltered from most of the problems that arise in mortgage lending. Defaulting loans and foreclosed properties are sold back to Emerald Bay Financial, Inc, and replaced with other performing properties. What our investors get is a diversified, professionally managed fund. A minimum investment of \$10,000 allows investors to buy shares of the fund (\$1,000/ share), and get a monthly check the first working week of the month. The fund is approved by the Department of Corporations and the State of California as a "fair and equitable offering". It is sold only to California residents. The fund was initially offered with a 12% return. Currently, it is outperforming projections and is yielding 12 ½ %.

Please, read through the enclosed information. Included is:

- General information on the company,
- Emvest Mortgage Fund LLC Summary of Prospectus
- Answers to Frequently Asked Questions

Again, thank you for your interest. I would hope that we can meet your investment objectives.

Sincerely,

*Chris Lake*

Chris Lake

*Jack Mollin  
619-297-4844*



# Characteristics of Mortgage Pools

## Characteristics of Mortgage Pools:

They are composed of many loans, and thus they spread the investment dollars over numerous individual loans. This reduces the risk, and makes the yield more consistent.

The interest rates in the pool derive from the interest rates in the underlying loans, together with any available discounts and / or funding fees.

Mortgage pools normally pay somewhat less in interest than individual loans, for several reasons: They provide complete management, with no effort on the investor's part; they have to maintain some reserves for loss; they offer the security of many loans, spread over a broad spectrum of regions, and thus the interest rate in the pool is a blend of the rates in the loans.

Mortgage pool rates fluctuate, year over year, with the fluctuations in market interest rates. This is true of all mortgage pools, and when the economy is growing, rates will rise. When the economy is slow, rates will be lower.

When you purchase a "Ginnie Mae," for example, or a fund composed of

Ginnie Maes, you receive rates that reflect what's available in the "government guaranteed" market. It's important to understand what that "guarantee" actually is. The loans in these funds have a PORTION of their asset value "guaranteed," meaning that the final 25% of the asset value is insured. Other mortgages do this with what is called "private mortgage insurance," which provides for some indemnity against loss in case of foreclosure. The level of insurance is normally 20-25%. Similarly, mortgage pools that invest in subprime and "equity" loans normally "guarantee" their own paper by lending only up to 70% or 80% of the value of the property. That way, when there's a foreclosure, the value in the property essentially recovers all the interest and principal due, with some additional money for the fund's trouble. It's important to understand that "government guaranteed" paper is really no better in this respect than subprime paper. The key to success is the equity position that the lender (in this case, the mortgage pool) has in the aggregate of all the loans.

## Characteristics of Mortgage Pools, Continued

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Although there are certainly mortgage pools that differ from this strategy, for the most part the pools that provide consistent yields are composed primarily of loans on homes and condominiums. The borrowers tend to pay better if it's the "house they live in," the values are more easily established than other types of real estate, the properties are easier to sell if there's a foreclosure and re-acquisition, and the yields are typically on par with other lending on larger projects.

Some (certainly not all) mortgage pools also use part of their money as a "warehouse fund;" in this case, the fund derives its income from the aggregates of fees and inter-

est that it collects, minus what it has to pay to the firms arranging the loans. The loans are then sold out, rather than retained, and the fund goes on to make more loans. In some cases, the mortgage pool is also involved with collateral businesses: Loan origination, to provide a supply of paper; servicing, to collect the debts; foreclosure and resale, in case that becomes necessary. This is an excellent approach, because of its efficiency.

**Call 619-297-4844 to request a prospectus, and discuss the fund with an account executive**

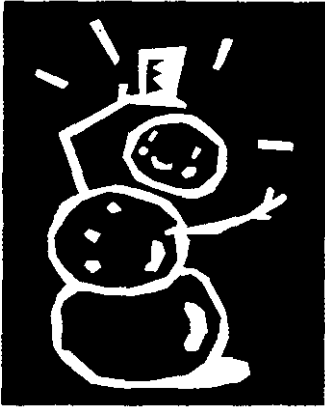
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### **EMVEST MORTGAGE FUND, LLC**

*provides you with the following advantages:*

1. **Simplicity.** You invest ONE TIME, and your money works until the maturity of the Fund.
2. **Consistent Yield.** We are now, and have been, paying 12% + to all our investors.
3. **Secured investments within the pool.** We lend on real estate. That's a good thing. We lend on San Diego and other Southern California real estate. That's even better.
4. **Experienced management.** Our managers have decades of experience in Southern California real estate and mortgages to assure you of a quality investment.
5. **A successful underlying business.** We've grown our business *eightfold* in the last five years. We want you to become part of our success story.





# Emvest News!

January 2004

Emvest Incorporated  
591 Camino De La  
Reina #103,  
San Diego, CA 92108

## New Year's Special!

### *How About a 9.5% CD? Remember those?*

Well, we don't have that available, but we DO have the next best thing. If you have money that you DON'T want to commit for the full term of our Emvest Mortgage Fund, LLC, and you STILL want to earn a fine rate of return, we have a great opportunity for you:

It's called our "Collateral program," and here's how it works:

1. We have a *specific note* that we would like to collateralize.
2. You loan us money on that note, about 70% of its face value.
3. WE (Emvest) pay you monthly checks based on a 9.5% annual return.
4. The term of the note is 1 year, interest only, and at the end of the year, we pay you off, and you go on to another investment that suits you.
5. The Collateral Note and Assignment of Trust Deed are pegged to the face amount of the original loan, and the "Loan to Value" against the *property caps* at about 60% LTV.

*Caveats:*

If the borrower on the original note goes into default, and we publish the sale, we will pay you off.

There is no prepayment penalty. Our note may be paid in full at any time.

**EMVEST MORTGAGE FUND, LLC**  
**"THE BEST INVESTMENTS SINCE THE**  
**MONEY TREE."**

## 12.5% again in December!!!

How does Emvest Mortgage Fund, LLC keep paying its 12.5%? We've been through a year of historically low interest rates, and of course we've had to work hard to maintain our payment levels to you. However, it's NOT "smoke and mirrors." Here are

some of the ways we make your money earn one of the best returns available anywhere:

1. We continue to make high-yield loans.
2. We give you a "cut" of the brokerage fees.
3. We minimize costs in

the fund by using dedicated personnel who want to "do things right."

4. Our 1st TD's in the Fund now earn about 11.5-12%;; our 2nd TD's now earn about 14-17%; and thus we maintain a portfolio

## Emvest Keeps making money for you, Cont'd.

yield of 12.5%+ annually.

5. We're CAREFUL. Your money is entrusted to us, and we remember that it is yours.
6. Can we keep doing this? Yes. However, our next fund will of necessity reflect the economic realities of the marketplace.
7. We intend to always pay better than you can get in similar investments on Wall Street. Our philosophy is simple—the equity in the properties we have loans on is your protection, and they ulti-

mately are the source of repayment for the loans in the case of foreclosure. We deem this a better plan than the one espoused by, say, Fannie Mae or Freddie Mac, who buy loans on property that is encumbered up to 100%, and expect payment based on the borrowers good credit. This is a fine method, if the portfolio is huge; yields on this kind of investment run from 5-6%, and they are consistently higher than CD returns. There is even a "guarantee," of sorts. The guarantee is essen-

tially an insurance policy on the last 25% of the loan amount. So the real question is, "How is this different from our method of protection, except that the borrowers have good credit?" My contention is that the differences are fewer than the similarities, and that the protection is virtually the same. The main difference is in your yield. So which is better? 9%, 10%, 11%, 12%, or 5-6% that you buy on Wall Street? You decide. And then put some more money with us.

## San Diego Next Year...

The San Diego economy appears ready to build on the gains of 2003 in 2004; the economists that follow all these things say that tourism, construction, and employment should all be up, along with business investment. That is good news, and our assessment of the real estate markets confirm that view of the economy. It's apparent to me and many of the rest of us in the real estate industry that

next year will be a good, though not outstanding year, in real estate. We anticipate modest growth, with the *least* growth in the upper price ranges. Rental property also seems to be a bit high right now—I looked at a piece of property recently with a cap rate of 3.5. Doesn't seem like a very good deal to me. Return on equity for single family homes as rentals now is about 4% or a bit less, *before property*

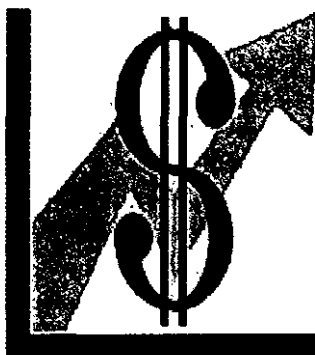
*taxes.* The Emvest Mortgage Fund, LLC is a fine investment compared with numbers like these.

*"The San Diego economy is on course to build on the gains of 2003 in 2004"*

The Union Tribune

## More Money for your Retirement!

We've been telling you this for some time, but many seem to still not know it—you CAN use your self-directed retirement monies to invest in the Emvest Mortgage Fund, LLC. All you need is a 3rd party custodian (we know several) to hold and manage your funds in the retirement account. The best part is that if you have a self-directed retirement account,



you can buy stock, corporate bonds, mutual funds, anything the Internal Revenue Service approves (see [www.irs.gov](http://www.irs.gov) for information on retirement accounts—they

have an entire publication devoted to this subject, and it's not hard to read. Besides. It's your money. Why not control it? Why not educate yourself and reap the benefits?



# THINK LIKE A BANK

It's no secret that real estate is a good investment for the owner as well as the lender. Here's an idea that puts the individual in place of the bank—a plan from Emerald Financial.

Ever apply for a bank loan? If so, you know that one of the best forms of collateral you can offer is equity in your home. That's the basis for an investment program that has been providing double-digit returns for individual investor clients of Emerald Financial.

According to a spokesperson for the firm, its customers have been earning these fine returns throughout the stock market downturn, the volatile national economy and the ultra-expensive real estate boom. Like banks, they have for years provided loans to real estate owners who need money and own real estate—provided that they can make their own payments and have enough “cushion” in the property to make the loan a good investment.

Such borrowers pay double-digit returns to Emerald's investors, whose money is secured by such real estate loans. The program is based on the lending philosophy of the largest banks, investment firms, and insurance companies that use a similar concept as a conservative investment vehicle. One difference is that Emerald has designed the plan with the objective of having it work well for the individual investor. The firm maintains a loan origination unit that finds the “paper” for you and creates the loan; a collection unit, so that the investor doesn't have to deal with that, and a recovery unit that is assigned to recover the investment with interest if the borrower stops paying.

The success of the program has prompted Emerald to offer two programs: A “fixed” return program (in which the target payout is almost level), and an “individual” program (with slightly more risk, but a slightly higher return.) Here's how it works:

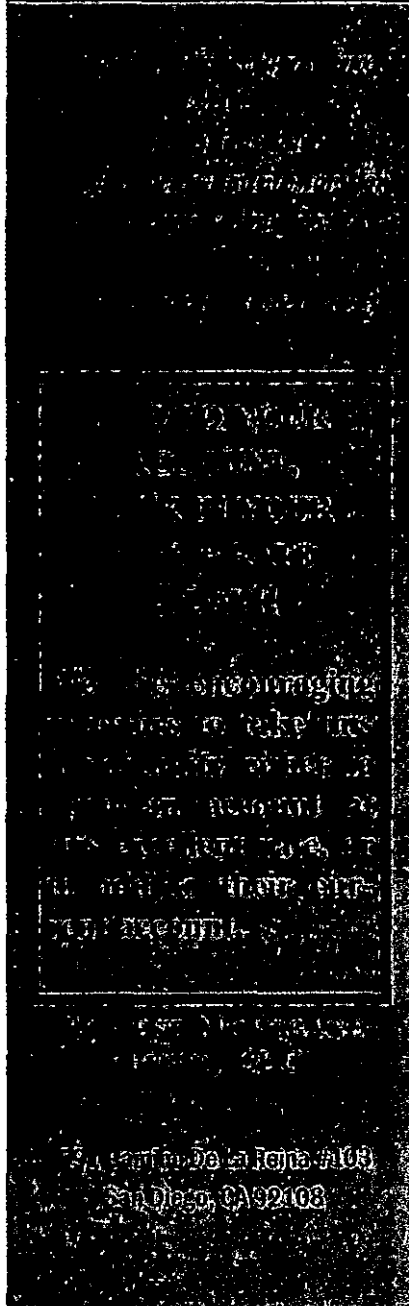
The average payout on an investment is 12% or 1% per month. An investment of \$10,000 should show approximately \$100 per month in scheduled return. Is this program for you? There is some risk in every investment, but given the health of the San Diego economy and the values of real estate, Emerald Financial considers the risk to be low. For those interested in the prospect of excellent returns, an income stream, and/or to grow a retirement nest egg, the real estate investment is worth considering. “The programs are working right now for our investors,” says a company spokesperson. “Our generations of investors have used programs similar to our to fund retirements, create income and grow savings, all with substantial success and acceptable risk.” Since the investments are tied to real estate, not the stock market, one can anticipate a reasonable degree of stability coupled with a double digit return.

FOR MORE INFORMATION ABOUT THESE INVESTMENTS  
OR TO REQUEST A PROSPECTUS,  
CALL EMERALD BAY FINANCIAL  
@ : (619) 297-4844



EMVEST MORTGAGE FUND, LLC

# 12%+ Yield, Monthly Checks, Suitable for IRAS etc.



Call Now!

619-297-4844

To take advantage of this offer,

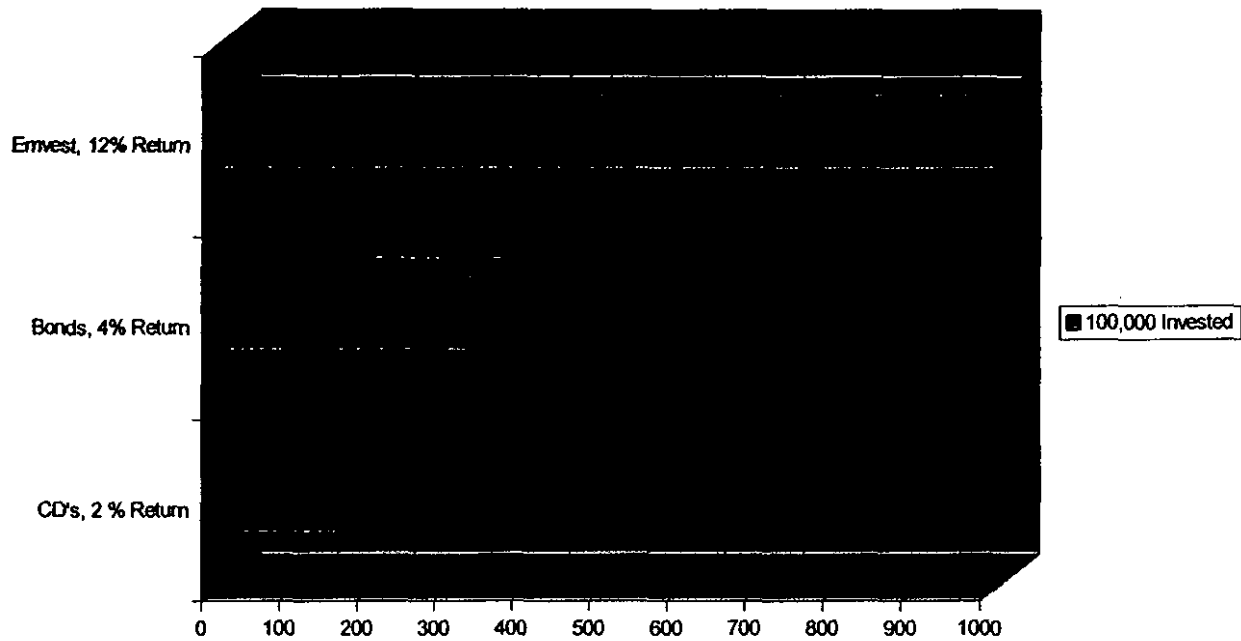
1. Read the prospectus and any supplements.
2. Complete and sign the enclosed subscription agreement.
3. Make your Check Payable to Emvest Mortgage Fund, LLC.

[www.megayield.com](http://www.megayield.com)





Emvest Monthly Income Comparison



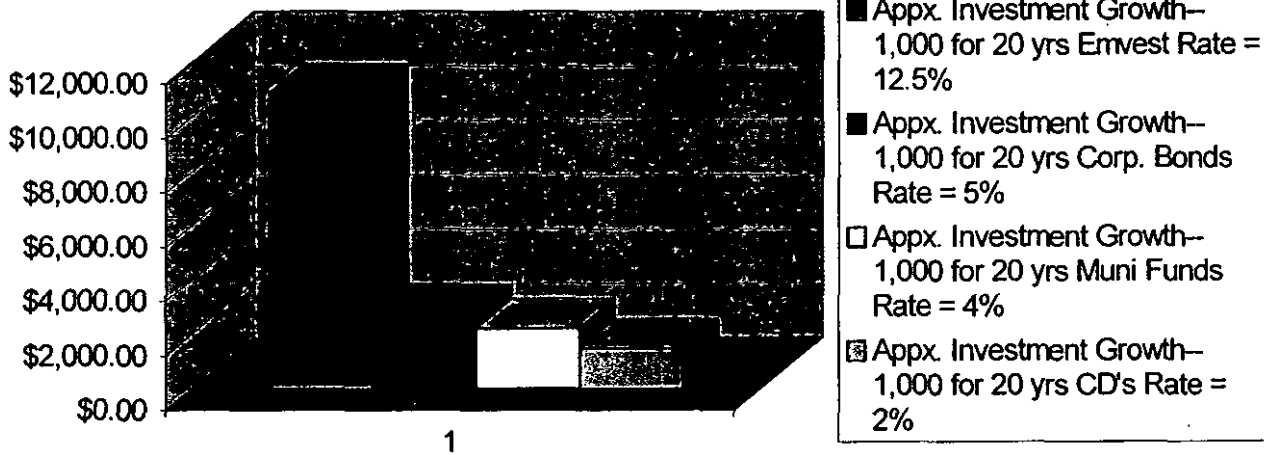
*Your Income—What  
12% Actually MEANS!*

Emvest Mortgage Fund, LLC  
591 Camino De La Reina, #103  
San Diego, CA 92108  
619-297-4844



# 12%+ Feather Your Nest with Emvest!

**Emvest Comparison—Retirement Growth**



Emvest works GREAT in retirement funds. You can use Emvest Mortgage Fund, LLC shares in IRA's, 401K's, pension plans, and other retirement vehicles. Ask your account executive for specifics.

**Call 619-297-4844 NOW**



## “Our Companies...”

**Emerald Bay Financial, Inc.; Emvest Mortgage Fund, LLC; Emvest Incorporated; Unified Mortgage Service; CNA Foreclosure Service.**

Emerald Bay Financial / Emvest Incorporated is a group of affiliated companies and businesses that are designed to provide you, the investor, with great value and excellent investment opportunities. Here's a synopsis of the companies and the way they work.

*Emerald Bay Financial, Inc.* Emerald Bay Financial, Inc. is a real estate broker (CA Dept of Real Estate, Lic. #01237295). We specialize in private investment lending in Southern CA. As a real estate broker, EBF arranges individual loans, sells existing notes to private investors, and sells hypothecated loans.

*Emvest Incorporated and Emvest Mortgage Fund, LLC.* Emvest Incorporated is the managing entity of Emvest Mortgage Fund, LLC (the Fund), and provides management services for the Fund. Emvest Mortgage Fund, LLC is a CFL (California Finance Lender) Lender, and funds the loans arranged by Emerald Bay Financial, Inc, which are then held in the Fund or sold out to private investors. Emvest Mortgage Fund, LLC is also a *mortgage pool* designed to maximize investor yield. At present, the Fund's yield is in the 12% range, and the Fund is able to provide these excellent yields because of a combination of factors, including collected interest, discounts to the Fund, and additional income from other sources.

*Unified Mortgage Service, Inc.* A good servicing / collection company is crucial to maintaining the quality of your investments, and we're proud to say that we have an affiliation with Unified Mortgage Service, Inc (Unified). Unified collects the mortgage loans for a host of private investors, and for the Fund. Each investor is assured of the interest and attention of the people who work in servicing, and all the people at Unified are dedicated to making your investment profitable and trouble-free.

*CNA Foreclosure Service.* There are always a few borrowers who don't pay, and the purpose of CNA is to keep your investment a good one. When a borrower fails to pay his mortgage, the account is turned over to CNA, where it is placed in foreclosure, so that your investment can be recovered, with your interest and other monies due you. If you've purchased an individual note, one of three things will happen when the foreclosure process is completed:

1. The borrower will *reinstate* his mortgage, and pay what is due you, and will then make his payments going forward (otherwise, CNA will foreclose again);
2. You will be *paid off* (meaning you get your principal, interest, and other monies due you, in a lump sum);
3. The *property* could revert to you, as the "benefit of the bargain," to satisfy your loan. In most cases, investors simply get paid or paid off. Very few properties go back to lenders, and when one does, there's normally someone waiting to buy it.

***In summary, our companies are designed to make your investments with us profitable and trouble-free. We want you to be satisfied, and we work hard to make that happen.***



EMVEST INCORPORATED

# Emvest Mortgage Fund, LLC, Prospectus Summary

## Emvest Incorporated —A note about us and our companies

*Emvest Incorporated is the managing entity of Emvest Mortgage Fund LLC—and Emvest Incorporated is the brainchild and investment arm of Emerald Bay Financial, Inc. Our people have been in the lending and real estate businesses for a generation, and we know our market. You can participate in the opportunities in real estate lending, earn a handsome rate of return, and still have a low risk of losing your capital, because your investment is ultimately secured by Southern California residential real estate. We want your money, because we can make money with your money, and we will pay you well for its use. The following “Summary of Prospectus” is only the beginning of our story.*

*Look at the rest of the information we’ve provided to see how you can earn a double-digit return, with checks every month.*



### Summary of Prospectus (see p. 2)

The following Summary of the Prospectus (see p. 2) is not intended as an offering; the offering is made ONLY by prospectus, and if you wish to invest, please request a prospectus, read it carefully, and then fill out the subscription agreement, which is included with the prospectus. The information contained in this summary of prospectus is deemed reliable, but not guaranteed. The information in this document is not an offer to sell a security, nor a solicitation of an offer to buy a security. Such offering is made only by prospectus.

Call 619-297-4844  
To Request a Prospectus

*For the Summary, see page 2*

EMVEST INCORPORATED

# Emvest Mortgage Fund, LLC, Prospectus Summary

Offering	\$50,000,000 of 12% Participating Shares; Share price, \$1,000 (50,000 total shares available)
What is "12%?"	"12% Participating shares" means that you earn 12%, or we do not participate in the rate. 12% is a "minimum target."
Minimum Investment	\$10,000 (10 shares)—Available ONLY to CA residents
Investment Objectives	<ul style="list-style-type: none"> <li>*Produce Interest income from our mortgage Loans;</li> <li>*Provide Monthly checks to our investors;</li> <li>*Preserve and return your capital contributions;</li> <li>*Reinvest Payoffs and other proceeds, as available</li> </ul>
Portfolio	Mortgage loans, primarily on Southern California real estate; our target market is the owner-occupied home in areas of solid value; we receive 3 <sup>rd</sup> party appraisals on our loans; Emerald Bay Financial, Inc. will originate the majority of these loans for The Fund. Loans will be selected by Fund management.
Distributions	We distribute monthly checks to our investors. You may request direct deposit, if you wish. Simply provide us with a deposit slip.
Designed for	Individual investors; IRA's, Pension / Profit Sharing Plans; SEP's, 401K's, Partnerships and Trusts that seek interest income on loans secured by real property and capital preservation.
Liquidity	The Fund will operate for 6 years from inception, unless extended; investors may petition management for withdrawal after the first year. Withdrawals are at the discretion of management. The "wind-up date" of the fund is December 31, 2008.
Suitability and risk	Please refer to the prospectus.
Tax Reporting	Income information is reported on a Schedule K-1.
Management	The Fund is managed by Emvest Incorporated, a California Corporation.
How to Invest	The offering is made through the prospectus. After reading the prospectus, complete the subscription agreement and return with your check, made payable to Emvest Mortgage Fund, LLC for the amount of your investment.

This information is designed as a guide for prospective investors. It is a summary of information contained in the prospectus for The Fund. This information is deemed reliable, but not guaranteed. For specifics, please see your prospectus. The information in this document is not an offer to sell a security, nor a solicitation of an offer to buy a security. Such offering is made only by the prospectus, which may be requested by writing or calling

Emvest Incorporated  
591 Camino De La Reina #103  
San Diego, CA 92108  
619-297-4844.



## Answers to Frequently Asked Questions

- The principals bring a combined experience of 63 years in real estate and mortgages.  
(see Principals on page 7 of Prospectus)
- “Emvest” is the third fund offering, and is substantially large enough and attracting enough attention that it warranted the spin off of it’s own corporate entity. The first two funds, **Heritage** and **TriStar** which are several years old now both sold out, and have performed as advertised.
- The **Prospectus for Emvest** only takes into account **Emvest Mortgage Fund, LLC** the corporation. There is however, a broader picture of the company than just Emvest LLC. The company has four other divisions that occupy 2 floors and three suites in the San Diego office. We have offices in Orange County as well. The offices in Orange County at this time are specifically for Loan Origination, and don’t sell any Trust Deeds or Funds to the public. The offices in San Diego are the company headquarters. This is where even Orange County originated Trust Deeds are sold to investors. We deal with many residents of Orange County, Los Angeles County, San Bernardino County, Riverside County and Temecula.

### Corporate Structure

- **Emerald Bay Financial, Inc.** - The company that blankets all other divisions including Emvest and our Orange County offices. Emerald Bay is our loan origination company that our borrowers deal with to structure loans that would be described as “hard money loans”. While these loans are expensive to the borrower, we represent their only hope. Most of the loans represent a bridge loan so that a borrower can protect the ownership and equity in their homes, while they pursue clearing up credit issues, or locate more affordable financing. After one year, should the borrower meet the terms of their loan, Emerald Bay Financial will review the loan and frequently get the borrower a loan more competitive terms.
- **Unified Mortgage Services, Inc.** - is the division that services all of our borrower and investor clients. It manages \$45 million in loans per month. Most of the loans are in San Diego County, and are in the amounts of \$20- \$60,000.
- **Emvest Mortgage Fund LLC, Inc.** -is now officially the corporations investment division. The “Emvest Fund” as well as individual Trust Deeds are sold to private investors here. Presently, Emvest has over 2000 private investors in Trust Deeds and Fund offerings.
- **CNA Foreclosures** - handles the less-than-10% of loans in which borrowers fail to perform, and Unified Mortgage Services is forced to turn the collections over for foreclosure proceedings in order to protect the financial interests of our investors. *Our intention is always to have our investors in a position to recover all of their investment as well as any owed interest.* Foreclosure when investing with us “usually” means loss of stream of income, but not loss of principal or interest. Just a delay in getting it. (usually around 6 months). We rarely have to go to this extreme, but all lenders face it, including banks who only do A paper loans to the most qualified of borrowers. It’s not a guarantee, we can’t offer a guarantee. But a worthwhile track record to note when deciding whether to invest in southern California real estate.



# Looking to the Future

An important part of managing the Emvest Funds is strategic planning for the future. We would like to share our view of the Southern California real estate market today, in the near future, the measures we have taken.

The common fear of any mortgage firm is deflation. We are now enjoying a very strong real estate market, but are planning for a slowdown at the end of the year. We do not expect values to decline - just not go up rapidly. Our strategy is three pointed: Stay in the fat part of the market, Maintain sufficient equity protection, Plan for challenges with proactive servicing and management.

The majority of our funds are in mortgages on homes valued at below 125% of the mean values of their markets. This is because the "affordable" portion of the market tends to be less affected in a market downturn. Trophy properties are nice to look at, but do not perform as well as the salt-of-the-earth homes we make loans on.

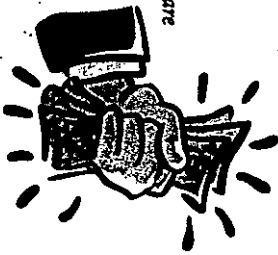
(Cont. next column)



The old "Three C's" of lending were Character, Capacity, and Collateral. Modern banks ignore these rules at their peril - stated income loans for the entire value of the property are a disaster in the making. We verify payment capacity for each borrower and make sure they have equity in the property. We lowered our maximum loan to value on first mortgages to 75% two months ago to assure greater protection. Our borrowers have their equity at stake to motivate them to solve future problems or sell the home.

Our servicing is a great advantage. We make every effort to encourage our borrowers to make their payments on time - even allowing them to make them in person if needed. If payments are not made, and our mail and phone calls get no response, we immediately file a notice default to shorten the time horizon of our exposure. During the process we keep the borrower's situation in mind as well as our goal of collection. Having a philosophy instead of a policy helps us to keep thinking in everyone's best interest.

We have set the monthly distribution at 12% and are confident it will continue for the foreseeable future due to these measures.



We continue to be proud of the job we are doing to grow a healthy, strong company responsible to our investors, borrowers, employees and the communities we serve.

\*\*Emvest Mortgage Fund LLC is now closed to new investors. The final day for existing investors to increase their shares is August 16, 2004\*\*

## Manager and Affiliates

Emvest Incorporated

Provides result-driven management for Emvest Mortgage Fund, LLC

Emerald Bay Funding, Inc.

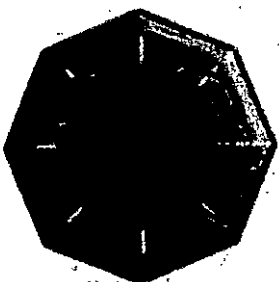
Originates Real Estate Loans California Finance Lender

Lenders Reconveyance, Inc.

Trustee

Unified Mortgage Service, Inc.

Loan servicing/collection is crucial to maintaining the highest yield and security for your investment. Unified services the mortgage loans for lenders, private investors and Emvest Mortgage Fund, LLC.

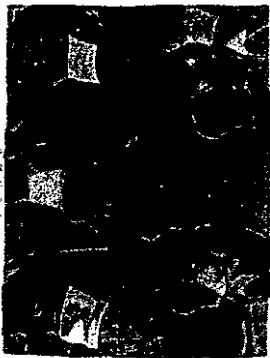


Call your Account Executive for details of the upcoming Opportunities and Events!

8/16/2004  
L. L. Newell

## Emvest joins Father Joe

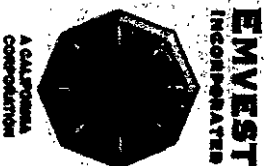
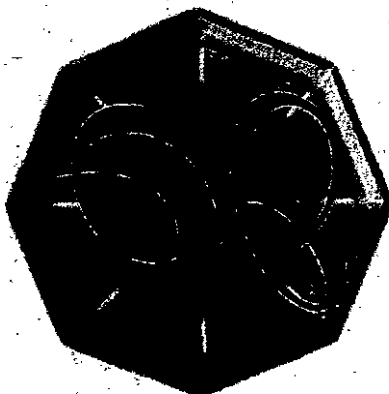
Emvest Incorporated is proud to announce that we and our affiliates have been chosen by Father Joe Carroll to be the Title Sponsor for the 2004 Thanksgiving Day Run-Walk, a feature fundraising event by St. Vincent De Paul / Father Joe's Villages. While we have been supporters of Father Joe for years, this is a substantial increase in commitment for us. It will give us an opportunity to make a prominent contribution in San Diego, to provide some 20,000 meals for people who need them and garner recognition for our efforts. The Thanksgiving Run-Walk is to be held Thanksgiving Day 2004, and we expect to see over 4,000 people there. Plan to see us there Thanksgiving Day (November 25, 2004)!



For more info, go to  
[www.thanksgivingrun.org](http://www.thanksgivingrun.org)

*Emvest Incorporated*

*Emvest Newsletter*



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Fax (619) 294-2134

*Future Solutions Now...*



**TIME IS YOUR FRIEND,  
OR YOUR ENEMY**



The worst disaster, as you face retirement and seek income from your investments, is loss of principal. Over the last few years, investors have lost about \$1.2 TRILLION in the Stock Market. In effect, the investors who have lost these huge amounts of principal have made time their enemy, because first they must earn back the money they lost before they ever get back to "ground zero." If this describes you, isn't it time to look at something different? The investments we offer are not tied to the stock market, and they are secured by real estate. Remember, real estate has made more people wealthy than any other investment vehicle. It can do the same for you. In the following pages, we will detail how you can earn double digit returns year in, year out, with the security of real estate. Emerald Bay Financial, Inc. is a "Private Mortgage Broker," what that means is that we put people like you (investors) together with people who need money (borrowers), so that you can make a handsome rate of return. You loan money on the borrower's real estate. You're secured because you don't lend everything the property's worth. You're secured because the borrower must pay you. You're secured because the debt against the property cannot be extinguished, except at reconveyance (when your note is paid off) or Trustee's Sale. (When your

**UGH! Retirement!**  
What a nasty surprise!  
**(NO Need to end up this way!)**

note is paid off, or you acquire the property at sale.

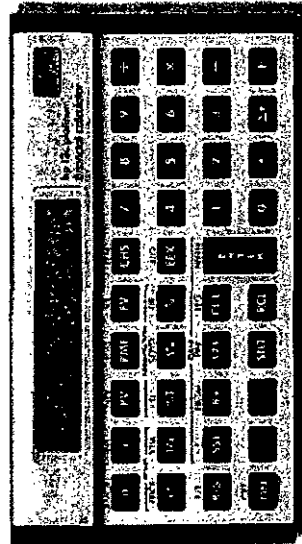
**We Make Time Your Friend:**

The rate of return that our investments provide regularly exceed the average rates of return in the stock market, the bond market, and the commodities market. This makes time your friend. Consider the effects of time on \$1,000, earning interest at a given rate of return: \$1,000 at 5% versus earning interest at a rate of 11.5% is much more than the nominal difference between 5% and 11.5%. Here's a scenario:

You invest \$1,000 at 5%, and you take it out after 30 years. What do you have at the end? You have \$4,467.34 (multiply by 10 for \$10,000 or by 100 for \$100,000). Now what will you have if you invest at 11.5%? The answer may shock you—it's \$30,987.18! In other words, an interest rate that's slightly more than double multiplies your return on your investment by a factor of nearly SEVEN.

Trust deeds provide you with a vehicle that will pay you double digit returns similar to the above year in, year out, with the security of real estate.

The next page provides an analysis of trust deeds vs. other popular retirement-oriented investments.



How your investment dollars are working is important to us. We recognize that you must earn money every month, not just "over the long haul." Investment advisors are offering advice that "good returns" are in the 5-8% range, while our investors earn double-digit returns quite regularly.

**Investment Comparison**

Desirable Investment Features	Trust Deeds	Real Estate	Stocks	Corp. Bonds
High Return	Yes	?	?	No
Secured by tangible asset	Yes	Yes	No	No
Professionally Managed?	Yes	?	Yes	Yes
Secured against Bankruptcy	Yes	Yes	No	No
Insured?	Yes	Yes	No	No
Monthly Payments?	Yes	?	?	Yes
Suitable for Retirement Funds?	Yes	Yes	Yes	Yes
Low Minimum Investment?	Yes	No	Yes	Yes
Marketable?	Yes	Yes	Yes	Yes
Stable Value?	Yes	Yes	No	No
Fixed Return?	Yes	No	No	Yes
Immediate Return?	Yes	No	No	Yes
Can The Account Be Churned?	No	No	Yes	Yes

**Emerald Bay Financial, Inc.** Provides Trust Deed Investments of all types for the investor community.

Trust Deed investments are loan secured estate which you can buy. They typically provide double digit returns to the investors and higher degree of security since they are tied to the assets (the underlying real estate). Trust Deed investments are not guaranteed, however.



**Typical Emerald Bay Investor**

(our worry lines look younger than 15 years ago, very happy)



**OTHER INVESTORS**

Double Digit Returns  
for our  
investor family since  
**1998!**

Our investments come in all sizes, they are OK for retirement plans, they normally produce income, and they are all secured by real estate.

**CALL NOW!**



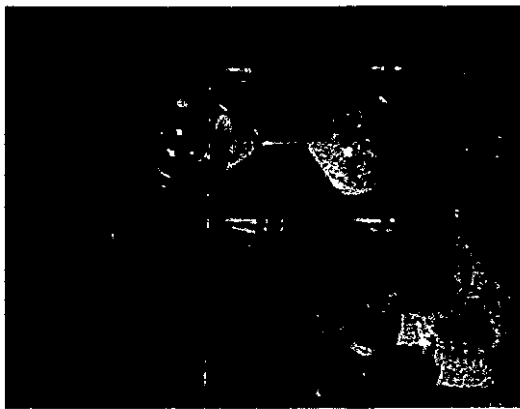
**Emerald Bay Financial, Inc**  
**619-297-4844**

Emerald Bay Financial, Inc.  
591 Camino De La Reina #103  
619-297-4844  
CA Dep't of Real Estate  
License #01237295

We make your  
money work harder



**You have  
only so  
much  
time, and  
then...**



**Emerald Bay Financial,  
Inc.**  
**591 Camino De La Reina  
#103**  
**619-297-4844**



4

# Emerald Bay Financial, Inc. Investor's News

## 2004 Regulatory Update

Inside this issue:

- Regulatory Update 1
- Trust Deed Buying Principles 2
- Where's BILL?? 2

There were a number of new real estate laws that went into effect in January 2004. While we don't represent ourselves as attorneys, we do try to keep up with what's happening in the land of many regulations (that's California!), especially with respect to the private lender. Perhaps the most significant change is concerning construction loans. As many of you know, the construction lending business has for years evaluated LTV's (loan-to-value ratios) based on *finished value*. A couple of years ago, the Department of Real Estate began objecting to this, based on the section of the real estate law that describes prudent LTV ratios for multi-lender loans, and apparently based on some other issues that they had concerns about. The DRE's contention was that LTV's had to be

assessed based on *current value*. In construction, of course, this represents a huge problem--for example, one owns a vacant lot, and wishes to build on it. So he applies for a loan. Under the system used for many years, the value of the finished product was used to calculate the appropriate loan amounts and LTV's, and everything seemed to work just fine. Now, the most that could be lent was the amount of money available as a ratio of the current value of the land or the home (in the case of a rehab project), subject to the DRE's published "prudent ratio" guidelines. The DRE's contention, of course, had merit. How could the investor recover his money if he lent more than the property was worth when he loaned the money? On the other hand, the loan broker's



Let us be your Money Tree!

position had merit as well--how could *anyone* get or arrange a construction loan under the DRE's new position? The problem continued to plague brokers and borrowers for a number of years, but in 2003 the legislature repealed the section of the law that had created the difficulties, and in January of 2004 a new law went into effect (the code section is section 10238 of the Business and Professions code, if you're in

**CALL**  
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**NOW!**  
**GET YOUR**  
**MONEY**  
**WORKING!**

**Emerald Bay**  
**Financial, Inc.**  
591 Camino De La Reina #103  
San Diego, CA 92108  
**619-297-4844**  
CA Dept of Real Estate Lic #01237295

*Regulatory Update, Cont'd.* terested). The new code section specifies that "appraised value may be considered as *completed value*" if certain conditions are met. Among these is the use of a 3rd party fund control, 3rd party inspections to verify stages of completion, a dollar limit of \$2,500,000, and funding of the complete loan at the inception. There are a number of other caveats, but these neatly solve the problem that many lenders, brokers, and borrowers faced as they wished to obtain or provide construction funds and (for the investor) to obtain a good rate of return.

## How to Buy Trust Deeds for YOUR situation

*I've gleaned the following information over the years by watching experienced investors; hopefully one of these instances will fit your situation, and help you make the right decision on your next investment:*

1. You should consider purchasing collateral loans (one of our "hypothecations") if you have short-term money that you wish to place, and if you wish to get a payment each month. The collateral loans that we sell provide you with 9-10% return, 65% LTV or less, and a 1 year term for an interest only loan. I checked this weekend to see what 1-year CD rates were in the San Diego area, and discovered that they ranged from about 1.7%-2.25%. That makes 9-10% sound like "windfall profits," and you can get that return with a phone call, if you have the appropriate dollar amount available to place.
2. You should consider purchasing either a 1st trust deed, or a fractional first TD, if you have longer-term money to place. I find that many investors like to purchase fractional first TD's for their entire portfolio, because of the "payment risk." It works this way: If you buy one loan (say, \$300,000 at 11.5%, paying at \$2,970.87), you have a potential income of about \$35,000 per year from that loan. However, if the borrower fails to pay, you may get nothing for a few months while we recover your investment for you. You can minimize your payment risk very easily by purchasing 6 "pieces" of first trust deeds at \$50,000 each. The interest rates will be about the same for all, but if one or two don't pay for a time, the others will. I have had situations in my own portfolio where my payments were quite sporadic on some of the loans I held, but others paid, providing me with a steady (but smaller) income.
3. Either a 1st trust deed, or a collateral loan, is the right sort of instrument for your retirement accounts. Why?? Because both tend to permit you a more passive role in managing your portfolio, and there's no risk of having to advance to a senior lien, because you ARE

the senior lien. You may still have to advance foreclosure fees or attorney's fees occasionally, so you should always keep some liquid cash in your retirement account.

4. If you have "risk money"—not money that you're willing to lose, of course (who plans to do that?), you may decide to place that money in 2nd TD's or other junior TD's. A 2nd TD is a great investment, but it does come with some very specific problems associated with it. You may have to advance to a senior lien, you may have to deal with a dual foreclosure (yours plus the senior's), and you may even have to advance sums that equal or exceed your original loan to protect your position. In addition, 1st TD's actually pay somewhat more regularly. We don't know why that is, but it seems to be true. This shouldn't discourage you from buying 2nd TD's, if you understand your risk, have the financial means to protect your investment, and don't necessarily require a steady monthly income from each.
5. The final, and most important principle is, "GET YOUR MONEY WORKING!" If you are not investing today, you should. Your money works 24 hours a day for you, like a dedicated servant—if you put it to work as soon as possible. If you, for example, wait 1 month, and your typical rate of return annually is 12%, you lose 1% yield, annualized—the next investment you buy at 12% will yield only 11% for the following 12 months, because you failed to collect interest on your money for a month. It's like having a rental vacant for a month—you don't collect rent. Interest is nothing more than rent on your money. Be sure you keep your money rented!!!

Bill Thrailkill has new direct line:

His new Number:

**619-294-2264**

(Actually, he's been promoted. Details next month).



*LOOKING for a good return?*

*You'll find it here!*

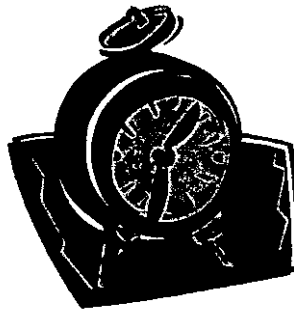


# Great News!

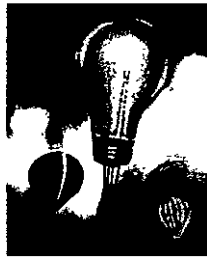


*Emvest Mortgage Fund LLC has been extended!  
The permit was renewed June 2, 2004.*

*For a Limited Time,  
You can increase your Investment in this Highly Successful Mortgage Pool.*



*Emvest Mortgage Fund II, LLC  
The permit has been submitted and is awaiting finalization.  
Details on the new Mortgage Fund will be released as soon as  
the final permit is issued!*



*Contact your Account Executive Today!*

*(619) 294-2264*



*Emvest Incorporated is proud to announce new additions to our Team:*



## **Paul Woronicz & Jessica Leckrone**

Paul Woronicz is an Account Executive. Paul joined Emvest Inc. in March 2004 from the San Diego Regional Commerce where he was the Business Development Manager and previously from Realty Income where he was the Financial Relations Manager in the capital Markets Department. Paul is a graduate from San Diego State with a Bachelor's degree in Finance. Paul is also a commercial pilot and was a charter pilot in Maui, Hawaii.

Jessica Leckrone joined Emvest Inc. in January 2004 and has become the new Office Manager. With many years of Customer Service under her belt, Jessica has acquired many skills needed to be a valued employee. Her duties include the distribution of monthly income checks and investor inquiries. She can represent the company personally and professionally. She has dedicated her career towards assisting clients in reaching their set goals.

## **Regulation and Compliance**

Exhilarating news from the regulators! Admittedly, dealing with the alphabet soup (DRE, DOC, IRS, SEC, CFL, GAAP, PNO, FTC, RESPA, ect.) of people and rules required to assure our continued success is not the exciting part of our business. But I must share some news we are pleased with:

Our second Limited Liability Company offering, Emvest Mortgage Fund II, is being reviewed by the California Department of Corporations, and we expect the permit to offer the fund to be issued within days. The new fund will have some features we were not able to include in our first offering. We will highlight the new fund in next month's newsletter.

Our original Limited Liability Company offering, Emvest Mortgage Fund, continues to be tremendously successful. There were a number of people who wanted to add to their investments in this fund, and missed our closing deadline. To accommodate these investors, we have applied for an extension of the offering.

Our Orange County origination unit just completed their first periodic audit by the California Department of Real Estate. The results were outstanding – no findings of noncompliance or suggestions of changes. If you are familiar with any audit process, the unwritten rule is the auditor must find something to correct, but there was none. The auditor even complimented us on our documentation, and compliance program. We are framing the review sheet. Congratulations to the Orange County group.

We are proud of the job we are doing to grow a healthy, strong company responsible to our investors, borrowers, employees and the communities we serve.

## **Emvest Incorporated**

Provides result-driven management for Emvest Mortgage Fund, LLC

### ***Emerald Bay Funding, Inc.***

Originates Real Estate Loans \*  
California Finance Lender

### ***Lenders Reconveyance, Inc.***

Trustee/Deed of Trust

### ***Unified Mortgage Service, Inc.***

A good servicing/collection company is crucial to maintaining the highest quality of service for your investment. Unified collects the mortgage loans for a host of private investors and Emvest Mortgage Fund, LLC.

California Department of Real Estate  
Lic.#B1993006275



*Call your Account Executive for details of the upcoming Opportunities and Events!*

There's no doubt that the real estate market is HOT! The question is, what will happen next? property investments already do not cash flow unless the buyer puts a large down payment into the "pot;" one's home is now purchased over a 30-year time period with as much as 50% of his/her gross income--so the question is, "Where does it all end?" The answer is, "It doesn't!" We've been here before in San Diego--prices "out of whack" with respect to income and potential earning capability. I remember discussing this with a retired optician--he recalled when he had moved to the home he now lives in, and he told me, "I didn't know how I would make the payments." That was 30+ years ago, and he DID make the payments, and his purchasing that home was one of the best things he ever did. The fact is that wages follow pricing in real estate. Home prices rise in excess of wages in our fair city, and then wages catch up. It's been this way ever since I knew anything about real estate (40+ years, now). People have always "reached" to buy San Diego real estate, because they wanted to live here, and then wages have caught up. So what will happen to the lending market, in the meantime? It's going to be really GOOD! You and I will be offered better opportunities than ever before--there are more homes to lend on; the properties are highly desirable; virtually every San Diego area location is an easy sale today (a quick look at market times tells the realtor that), and the only complaint realtors have today is that they have NO inventory. Sales rose 2-1/2% in April. Annualize that figure (12X2.5, to get annualized rise in sales) and you get an *intra* in sales of 30%, annualized. In other words there is still a huge amount of pent-up demand, and a limited supply. Even if interest rates rise to 6.5% (that's about the average prediction of "those in the know"), demand will still exceed supply, and you, as an investor, will continue to be on the peak of one of the greatest real estate booms in decades.



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# APRIL 2004

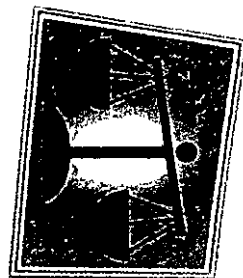
The good news is the Emvest Mortgage Fund, LLC has been paying 12.5% monthly distributions all year. You may recall, the Shareholders are entitled to 12% per annum priority return. The management believes we should under promises and over deliver. Are you happy with that decision?

The only regret some of our clients have experienced over the last 2 years is that they did not buy enough shares to meet their income needs. A professional unit is 100 shares that generate a monthly income check of \$1,000.00 to \$1,048.00. How much income do you need?

As per the Emvest Mortgage Fund, LLC prospectus dated April 21, 2003 the offering will terminate on April 30, 2004. This means you have only about 4 weeks to call your Account Executive to buy more shares before the window of opportunity closes on this fund.

**ATTENTION INVESTORS: YOU HAVE ONLY 4 WEEKS TO ADD ON SHARES TO YOUR EXISTING ACCOUNTS.**

**CALL YOUR ACCOUNT EXECUTIVE TODAY TO BUY OR RESERVE MORE SHARES.**



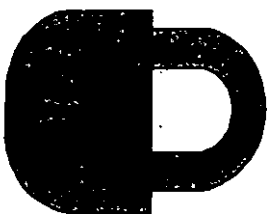
## THE NEXT STEP...

(cont.)

We cannot go into a lot of details, but the next opportunity should be available in mid May or early June 2004. Emvest Mortgage Fund II, LLC will have a priority distribution of 9.9% instead of 12.5%.

Don't hesitate, don't hold back. Bring your monthly income checks to a level that you feel comfortable.

"More money is lost through procrastination and indecision than the wrong decision." - Ira Ghadan



**LOCK IN YOUR 12% PRIORITY RETURN!**

### *Emvest Incorporated*

Provides result-driven management for Emvest Mortgage Fund, LLC

### *Emerald Bay Funding, Inc.*

Originates Real Estate Loans \*  
California Finance Lender

### *Lenders Reconveyance, Inc.*

Trustee/Deed of Trust

### *Unified Mortgage Service, Inc.*

A good servicing/collection company is crucial to maintaining the highest quality of service for your investment. Unified collects the mortgage loans for a host of private investors and Emvest Mortgage Fund, LLC.

California Department of Real Estate  
Lic.#B1993006275



*Call your Account Executive for details of the upcoming Opportunities and Events!*

*"Have your cake and eat it too!"*

*Don't pay cash for your toys...*

*Just suppose you could have your cake and eat it too.*

*Hypothetical Example:*

*Mr. Toybuyer wants a new Cadillac.*

*Let's say it is \$60,000 dollars, by the time he gets all the extras.*

*He can afford to pay cash, but as a smart businessman, understands that using other people's money (OPM) is what wealthy people do.*

*Payments for 5 years is say, \$889 monthly at 2.9%.*

*Mr. Toybuyer deposits \$90,000 dollars in an investment that pays 1% per month and receives a check monthly for \$900. He makes his toy payment with his monthly check and after 5 years, he gets his \$90,000 principal returned.*

*He now owns the car, free and clear.*

*Now, that's having your cake and eating it too, right?*

*Again, this is a hypothetical example. Past performance is not indicative of future results.*

*Call your Account Executive for details and risk  
discloser.*

*Emerald Bay Financial*

**EMVEST  
NEWSLETTER**

*Future Solutions Now...*



*Emvest, Inc.*

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