UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9163 / December 14, 2010

SECURITIES EXCHANGE ACT OF 1934
Release No. 63543 / December 14, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-14163

In the Matter of

MMR INVESTMENT BANKERS, LLC (d/b/a MMR, INC.),
WILLIAM G. MARTIN, JR.,
EUGENE R. RANKIN,
JOHN A. HUBERT, and
AARON D. FIMREITE,

Respondents.

ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTIONS 15(b) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act") and Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Exchange Act") against MMR Investment Bankers, LLC (d/b/a MMR, Inc.) ("MMR"), William G. Martin, Jr. ("Martin"), Eugene R. Rankin ("Rankin"), John A. Hubert ("Hubert"), and Aaron D. Fimreite ("Fimreite") (collectively "Respondents").

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. MMR, located in Wichita, Kansas, registered with the Commission as a broker-dealer on November 29, 1985 and was so registered at all relevant times. MMR was formed to raise funds for churches, which was its primary business through 2004.

2. Martin, age 62, resides in Andover, Kansas and is the president and majority owner of MMR. He has the ultimate decision-making authority for MMR, deciding which offerings MMR would underwrite, and reviewing the majority of customer sales. Martin holds Series 24, 27, 53, and 63 licenses.

3. Rankin, age 47, resides in Andover, Kansas. He is the vice-president and assistant compliance officer of MMR. He holds Series 7 and 63 licenses.

4. Hubert, age 66, resides in Andover, Kansas. He is a registered representative at MMR. He holds Series 7 and 63 licenses.

5. Fimreite, age 40, resides in Wichita, Kansas. He is a registered representative at MMR. He holds Series 7 and 63 licenses.

B. SUMMARY

6. Beginning in 2005, MMR, Martin, Rankin, Hubert, and Fimreite fraudulently recommended, offered and sold eleven best-efforts, no minimum private placement debenture offerings for eight small start-up companies, raising a total of more than $12 million. MMR charged sales commissions and other forms of compensation on the offerings totaling upwards of 10% of the offering proceeds. The debenture offerings for all but one of the eight issuers are now in default on payments of interest and/or principal. The disclosure documents for the debenture offerings failed to disclose the manner in which Martin, Rankin, Hubert and Fimreite were personally profiting from the offerings and operations of the issuers, which was material to an evaluation of the objectivity of their recommendation of the securities. In addition, the disclosure documents failed to disclose certain sales commissions received for two of the offerings by the Respondents. The Respondents made other material misrepresentations and omissions regarding the business of one of the issuers and the fact that the issuer had defaulted with respect to earlier investors. MMR, Martin, Hubert, and Fimreite also failed to determine that the debentures were suitable for their customers before recommending the debentures. The debentures were unsuitable for numerous MMR customers given the level of risk in light of the customers' investment objectives, advanced age, annual income, and net worth. In addition, MMR and Martin failed reasonably to supervise Hubert and Fimreite with a view to preventing their violations of the securities laws.

C. BACKGROUND

7. In 1985, Martin and his father formed MMR as a broker-dealer intended to raise funds for churches. MMR primarily sold church bonds for 20 years. MMR developed a large customer base throughout the United States.

8. In 2004, MMR's market for church bonds was depleted. As a result of MMR's nearly exclusive reliance on church bonds for its business, it was unable to meet at least 50% of its 2004 payroll.

9. Beginning in early 2005, MMR changed its business model and underwrote eleven best-efforts debenture offerings. The offerings promised a 10% to 11% annual return and had no minimum amount to be sold. The offerings were as follows:

a. Dynamic Distribution, Inc. ("Dynamic"), October 2006 – September 2007, raising $697,000;

b. El Pegasu Developmental, Inc. ("El Pegasu"), March 2005 – February 2006, raising $2,493,000;

c. Equity Capital Source, Inc. ("ECSI"), October 2006 – September 2007, raising $1,924,000;

d. Havoc Distribution, Inc. ("Havoc"), March 2006 – February 2007, raising $2,118,000;

e. MLP Associates, LLC ("MLP"), October 2005 – September 2007, raising $2,036,000 and October 2008 – September 2009, raising $1,391,996 consisting of $245,000 in new funds and the remainder in rollovers from the first MLP offering;

f. Partners in Care ("PIC"), June 2007 – December 2007, raising $600,000 and August 2008 – July 2009, raising $999,999 consisting of $399,999 in new funds and the remainder in rollovers from the first PIC offering;

g. Southfield Energy Corp. ("Southfield"), August 2006 – November 2007, raising $758,000 and December 2007 – present, raising $954,000; and

h. Vending Ventures, Inc. ("Vending Ventures"), December 2007 – November 2008, raising $354,000.

10. The debenture companies were all created by acquaintances of Martin and they encompassed a multitude of business endeavors. Dynamic and Vending Ventures were created to distribute Havoc Energy Drink, which was manufactured by Havoc. El Pegasu and MLP were created to provide interim funding for residential home construction, and MLP was also to provide interim funding for construction of income-producing properties. ECSI was created to contract

with faith-based organizations to develop senior housing projects. PIC was formed to supply specialty nurses to hospitals with personnel shortages. Southfield was created to invest in and hold fractional interests in exploration, development, and production of oil and gas.

11. Hubert and Fimreite were the MMR registered representatives who sold most of the debentures. Martin was their supervisor and was responsible for performing due diligence on the offerings. Rankin was the assistant compliance officer; he also was responsible for performing due diligence on the offerings, and he drafted the disclosure memoranda for all but two of the offerings.

12. MMR earned a total of $1,377,835 from the sale of $12,200,000 in debentures, consisting of $915,227 in commissions, $392,858 in non-accountable allowances, and $69,750 in technical assistance fees.

13. Many of MMR's customers were financially conservative, older investors, either retired or near retirement. Many had limited net worth and/or limited annual income.

14. Each debenture company, other than Southfield, is in default as to repayment upon maturity and/or for interest payments due on the debentures.

15. Martin and Rankin created Sunflower Management Group LLC, ("Sunflower"), a non-registered entity, near the time of the first debenture offering. Sunflower was created to manage the proceeds of the debenture sales. It set up accounts to deposit invested funds, disburse proceeds to the issuer, track the amount raised, pay interest when due, and eventually repay principal.

16. Sunflower's monthly management fees, which were charged to the debenture companies, were 1/12 of 1% of the total outstanding debentures. Sunflower earned a total of $233,370 for managing the proceeds of the eleven debenture offerings

17. Martin and Rankin each own 40% of Sunflower. Fimreite owns 10% and Sherril Hubert, who is Martin's sister and Hubert's wife, owns the remaining 10%. The Respondents profited from Sunflower's management fees which were tied to the amount of debentures MMR placed.

D. MISREPRESENTATIONS AND OMISSIONS TO INVESTORS AND PROSPECTIVE INVESTORS IN THE DEBENTURE OFFERINGS

18. The Respondents made material misstatements and omissions in relation to each debenture offering.

19. In relation to the 2008 MLP offering, the Respondents failed to disclose that:

a. MLP's business model changed materially from 2005 to 2008.

b. MLP had defaulted on maturing debentures from its 2005 offering. MLP defaulted on repayment of principal in October 2008, the same month MMR began to sell debentures in the 2008 offering.

20. With respect to all of the offerings, Respondents failed to disclose the extent to which they would benefit from investors' purchases of the debentures, which was a material omission in light of their recommendation of the debentures. In relation to their compensation and ownership, Respondents failed to disclose:

a. Their ownership interest in Sunflower.

b. The amount of Sunflower's management fee.

c. That Havoc, Dynamic, Vending Ventures, Southfield, and PIC all issued shares to Sunflower and/or its assigns, pursuant to the management agreements between those companies and Sunflower. Only for the Vending Ventures offering was Sunflower's ownership interest disclosed.

d. That Martin, Rankin, Hubert and Fimreite, through Sunflower, would be receiving shares of the debenture issuers pursuant to Sunflower's management agreements with the debenture companies. In fact, they received the following shares:

1) Martin received 680,000 Havoc shares, 900,000 Dynamic shares, 360,000 Southfield shares, and 700,000 PIC shares;

2) Rankin received 320,000 Havoc shares, 670,000 Dynamic shares, 237,000 Southfield shares, and 550,000 PIC shares;

3) Hubert received 100,000 Havoc shares, 200,000 Dynamic shares, 60,000 Southfield shares, 980,000 Vending Ventures shares, and 100,000 PIC shares; and

4) Fimreite received 150,000 Havoc shares, 687,280 Dynamic shares, 60,000 Southfield shares, 1,727,500 Vending Ventures shares, and 100,000 PIC shares.

e. That Martin and Rankin each owned units in ECSI. The original offering memorandum did not disclose the ownership interest. MMR did not issue an addendum to the offering memorandum disclosing the ownership interest until after an SEC examination in 2007.

21. Respondents failed to disclose that Sunflower would be managing the offering proceeds for the initial Southfield offering.

22. The Respondents knew or were reckless in not knowing of these material misrepresentations and omissions.

E. THE DEBENTURE OFFERINGS WERE UNSUITABLE FOR MMR'S CUSTOMERS

23. Apart from one church bond offering for a limited period of time, from 2005 through 2008, MMR had no investments to offer its customers other than the debentures, which were illiquid and high risk investments in start-up ventures that needed funding.

24. Martin, Hubert, and Fimreite were aware of their obligation to determine whether a security that they recommended was suitable for their customers. MMR's Written Supervisory Procedures required the registered representatives to have reasonable grounds to believe a recommendation was not unsuitable for a customer.

25. MMR's Written Supervisory Procedures further required each sale to be evidenced by the "initials of the President, Vice-President, or Compliance Officer on the Purchase Order Form." This provision required the officer to make an independent determination of suitability. Further, as President, Martin was responsible for drafting MMR's Written Supervisory Procedures and for implementing a system to ensure compliance with those procedures.

26. Martin, Hubert, and Fimreite knew or were reckless in not knowing that the debentures were high risk investments. The offering documents for the debentures expressly stated that the debentures were "speculative and an investment in debentures involves a high degree of risk." The documents further stated that the debentures should not be purchased by investors who could not withstand a "substantial loss." Fimreite and Hubert admitted that the debentures would only be suitable for someone with a high yield investment objective.

27. The debentures were unsuitable for numerous MMR customers to whom the investment was recommended by Hubert or Fimreite and the sales in most cases were approved by Martin. Nearly all of these customers were long-term MMR customers who relied upon Hubert's and Fimreite's recommendations. In 2005, when MMR sold the first debentures, over half of the customers were over 70 and 11 were in their 80's. Ten had annual income under $25,000, and the vast majority had annual income under $50,000. Twenty-four had net worth of less than $500,000, a minimum Martin later required for the sale of debentures. In 15 instances MMR placed as much as 20% or more of a customer's net worth in the debentures. Eight households or individuals held more than 25% of their net worth in debentures. In looking at the customers' investment objectives, ten investors had low risk investment objectives (retirement, pre-retirement, and income) for which the debentures were plainly unsuitable. Twenty-six investors had an investment objective of growth, but there was almost no prospect for growth in this investment because it was a debt instrument paying a fixed rate of return. Finally, although account documents for 15 investors reflected high yield as their stated investment objective, that designation did not genuinely reflect their investment objectives because MMR and its registered representatives caused the designation to be made without disclosing to customers the risks inherent in such designation at the time the firm caused the designation to be made.

F. MMR AND MARTIN FAILED REASONABLY TO SUPERVISE HUBERT AND FIMREITE

28. MMR had in place supervisory procedures relevant to suitability determinations. Under these procedures, the firm gathered customer information that could have been used to make suitability determinations, and registered representatives were affirmatively required to make suitability determinations. A principal of the firm was responsible for making an independent suitability assessment for each transaction, which in most instances was Martin. While these procedures appeared reasonably designed to assess suitability, MMR and Martin, as president, failed to establish reasonable systems to implement the procedures. As a result, MMR's supervisory procedures were not adequately implemented and MMR and Martin failed reasonably to supervise Hubert and Fimreite.

G. VIOLATIONS

29. As a result of the conduct described above, MMR, Martin, Rankin, Hubert, and Fimreite willfully violated Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer and sale of securities and in connection with the purchase or sale of securities.

30. Alternatively, as a result of the conduct above, Martin, Rankin, Hubert and Fimreite willfully aided and abetted and caused MMR's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder based on the false and misleading disclosure documents for the debentures.

31. As a result of the conduct described above, MMR willfully violated Section 15(c) of the Exchange Act, which similarly prohibits fraudulent conduct in the offer and sale of securities and in connection with the purchase or sale of securities by broker-dealers. Martin, Rankin, Hubert, and Fimreite willfully aided and abetted and caused MMR's violation of Section 15(c) of the Exchange Act.

32. As a result of the conduct described above, MMR willfully violated Section 17(a) of the Exchange Act and Rule 17a-3(a)(17)(i)(B)(1) thereunder, which requires that customers receive an explanation of the terms regarding investment objectives. Martin, Rankin, Hubert, and Fimreite willfully aided and abetted and caused MMR's violation of Section 17(a) of the Exchange Act.

33. As a result of the conduct described above, MMR and Martin failed reasonably to supervise Hubert and Fimreite with a view to preventing their violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, within the meaning of Sections 15(b)(4) and 15(b)(6) of the Exchange Act.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against MMR, Martin, Rankin, Hubert, and Fimreite pursuant to Section 15(b) of the Exchange Act including, but not limited to, disgorgement and civil penalties pursuant to Section 21B of the Exchange Act, based upon their willful violations and willful aiding and abetting violations alleged above;

C. What, if any, remedial action is appropriate in the public interest against MMR and Martin pursuant to Section 15(b) of the Exchange Act including, but not limited to, disgorgement and civil penalties pursuant to Section 21B of the Exchange Act, based upon their failure reasonably to supervise Hubert and Fimreite as alleged above;

D. Whether, pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, all of the Respondents should be ordered to cease and desist from committing or causing violations and any future violations of Section 17(a) of the Securities Act, Sections 10(b) and 15(c) of the Exchange Act and Rule 10b-5 thereunder, and whether all of the Respondents should be ordered to pay disgorgement plus prejudgment interest thereon pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act; and

E. Whether, pursuant to Section 308 of the Sarbanes-Oxley Act, a Fair Fund should be established for the benefit of defrauded investors to distribute to affected investors any disgorgement, prejudgment interest, and civil penalty payments that may be made.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondents personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Order"), on the Respondents and their legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

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