

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9220 / June 8, 2011

SECURITIES EXCHANGE ACT OF 1934
Release No. 64625 / June 8, 2011

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 MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS AND A
CEASE-AND-DESIST ORDER PURSUANT
TO SECTION 8A OF THE SECURITIES ACT
OF 1933 AND SECTIONS 15(b) AND 21C OF
THE SECURITIES EXCHANGE ACT OF
1934 AS TO RESPONDENT JOHN A.
HUBERT**

I.

On December 14, 2010, the Securities and Exchange Commission (“Commission”) instituted public administrative and cease-and-desist proceedings 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 Respondents 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”).

II.

In connection with these proceedings, Respondent John A. Hubert (“Hubert” or “Respondent”) has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the facts stated in paragraphs III.1 and 4, which are admitted, Respondent Hubert consents to the entry of this Order Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934 as to Respondent John A. Hubert (“Order”), as set forth below.

III.

On the basis of this Order and Respondent Hubert’s Offer, the Commission finds¹ that:

1. At all relevant times, Respondent MMR, located in Wichita, Kansas, was registered with the Commission as a broker-dealer.
2. At all relevant times, Respondent Martin was the president and majority owner of MMR. He holds Series 7, 24, 27, 53, 63, and 79 licenses.
3. At all relevant times, Respondent Rankin was the vice-president and assistant compliance officer of MMR. He holds Series 7, 63 and 79 licenses.
4. At all relevant times, Respondent Hubert was a registered representative associated with MMR. He holds Series 7, 63, and 79 licenses.
5. At all relevant times, Respondent Fimreite was a registered representative associated with MMR. He holds Series 7, 63, and 79 licenses.
6. From 2005 through 2008, Respondents recommended, offered, and sold eleven best-efforts, no minimum private placement debenture offerings for eight small start-up companies.
7. The debenture companies were Dynamic Distribution, Inc.; El Pegasus Developmental, Inc.; Equity Capital Source, Inc.; Havoc Distribution, Inc.; MLP Associates, LLC (“MLP”); Partners in Care; Southfield Energy Corp.; and Vending Ventures, Inc.

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

8. All but one of the eight debenture companies are now in default on payments of interest and/or principal.

9. Respondent Hubert recommended and sold the debentures without disclosing that Martin and Rankin had created a new company, Sunflower Management Group, LLC (“Sunflower”), to manage the proceeds of the debenture sales; that Martin, Rankin, Fimreite, and Hubert’s wife all owned shares in Sunflower; that Sunflower received management fees in the amount of 1/12 of 1% of the total outstanding debentures, charged to the offering companies²; that in 2008, one of the offering companies, MLP, defaulted on maturing debentures from its 2005 offering; or that Martin, Rankin, Hubert, and Fimreite had received shares in some of the offering companies pursuant to Sunflower’s management agreements with the companies.

10. Respondent Hubert was reckless in not knowing of these material omissions.

11. The debentures were unsuitable investments for numerous MMR customers given the level of risk in light of the customers’ investment objectives, advanced age, annual income, and net worth. Nevertheless, Respondent Hubert recommended and sold the debentures to numerous such customers.

12. Respondent Hubert was reckless in not knowing that he was selling debentures to customers for whom the debentures were unsuitable investments.

13. As a result of the conduct described above, Respondent Hubert 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.

14. As a result of the conduct described above, Respondent Hubert willfully aided and abetted and caused MMR’s violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

15. As a result of the conduct described above, Respondent Hubert willfully aided and abetted and caused MMR’s violation of 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.

16. As a result of the conduct described above, Respondent Hubert willfully aided and abetted and caused MMR’s violation of Section 17(a) of the Exchange Act and Rule 17a-

² In their disclosure documents for all but one of the offerings, Respondents did disclose the fact that a company affiliated with MMR received a management fee for managing the proceeds of the debenture sales, but did not disclose the amount of the fee.

3(a)(17)(i)(B)(1) thereunder, which requires that customers receive an explanation of the terms regarding investment objectives.

17. As a result of the wrongful conduct described above, Respondent Hubert received ill-gotten gains of \$39,615.18.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Hubert's Offer.

Accordingly, pursuant to Section 8A of the Securities Act and Sections 15(b) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent Hubert shall cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5 and from aiding and abetting or causing violations of Sections 10(b), 15(c), and 17(a) and Rules 10b-5 and 17a-3(a)(17)(i)(B)(1) thereunder;

B. Respondent Hubert shall be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

C. Respondent Hubert shall be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

D. Any reapplication for association by Respondent Hubert will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

E. Respondent Hubert shall, within 15 days of the entry of this Order, pay disgorgement of \$39,615.18 and prejudgment interest of \$3,603.58 to the Securities and Exchange Commission. If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600. Payment shall be: (A) made by wire transfer, United States postal money order,

certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Securities and Exchange Commission, Office of Financial Management, 100 F St., NE, Stop 6042, Washington, DC 20549; and (D) submitted under cover letter that identifies John A. Hubert, Jr. as a Respondent in these proceedings and states the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Polly Atkinson, 1801 California Street, Suite 1500, Denver, Colorado, 80202.

F. Respondent Hubert shall, within 15 days of the entry of this Order, pay a civil money penalty in the amount of \$20,000 to the Securities and Exchange Commission. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. 3717. Such payment shall be: (A) made by wire transfer, United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Securities and Exchange Commission, Office of Financial Management, 100 F St., NE, Stop 6042, Washington, DC 20549; and (D) submitted under cover letter that identifies John A. Hubert as a Respondent in these proceedings and states the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Polly Atkinson, 1801 California Street, Suite 1500, Denver, Colorado, 80202.

G. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for the disgorgement, interest and penalties referenced in paragraphs E and F above. Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that he shall not, after offset or reduction in any Related Investor Action based on Respondent's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by offset or reduction of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

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 Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934 as to Respondent John A. Hubert ("Order"), on the Respondent and his legal agent.

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

Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

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