UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to _____________

Commission file number: **333-155428**

REDWOOD MORTGAGE INVESTORS IX, LLC
(Exact name of registrant as specified in its charter)

Delaware	**26-3541068**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
1825 S. Grant Street, Suite 250, San Mateo, CA	**94402-2678**
(Address of principal executive offices)	(Zip Code)

(650) 365-5341
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] YES [ ] NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
[X] YES [ ] NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
[ ] YES [X] NO

Part I – FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

REDWOOD MORTGAGE INVESTORS IX, LLC
Balance Sheets
March 31, 2015 (unaudited) and December 31, 2014 (audited)

ASSETS

	March 31, 2015	December 31, 2014
Cash and cash equivalents	$ 1,134,172	$ 1,264,314
Loans, secured by deeds of trust		
Principal	21,300,226	19,185,660
Advances	12,463	12,307
Accrued interest	164,683	144,277
Total loans	21,477,372	19,342,244
Receivable from affiliate	—	77,347
Loan administration fees, net	122,594	117,686
Total assets	$ 22,734,138	$ 20,801,591

LIABILITIES, INVESTORS IN APPLICANT STATUS, AND MEMBERS' CAPITAL

	March 31, 2015	December 31, 2014
Liabilities - accrued fees & other accounts payable	$ 162	$ 319
Investors in applicant status	658,500	1,257,000
Members' capital		
Members' capital, subject to redemption, net	22,058,642	19,521,537
Managers' capital, net	16,834	22,735
Total members' capital	22,075,476	19,544,272
Total liabilities, investors in applicant status and members' capital	$ 22,734,138	$ 20,801,591

The accompanying notes are an integral part of these financial statements.

REDWOOD MORTGAGE INVESTORS IX, LLC
Statements of Income
For the Three Months Ended March 31, 2015 and 2014 (unaudited)

	Three Months Ended March 31,	
	2015	2014
Revenues		
Interest income		
Loans, net	$ 398,467	$ 315,177
Imputed interest on formation loan	6,124	3,822
Total interest income	404,591	318,999
Interest expense – amortization of discount on formation loan	6,124	3,822
Net interest income	398,467	315,177
Late fees	2,260	1,219
Other	50	49
Total revenues, net	400,777	316,445
Provision for loan losses	—	—
Operating expenses		
Mortgage servicing fees	12,160	9,013
Asset management fees	—	—
Costs through RMC	36,286	41,582
Professional services	643	60,733
Other	1,626	3,271
Total operating expenses	50,715	114,599
Net income	$ 350,062	$ 201,846
Members (99%)	$ 346,561	$ 199,828
Managers (1%)	3,501	2,018
	$ 350,062	$ 201,846

The accompanying notes are an integral part of these financial statements.

REDWOOD MORTGAGE INVESTORS IX, LLC
Statements of Changes in Members' Capital
For the Three Months Ended March 31, 2015 (unaudited)

	Investors In Applicant Status	Members			
		Capital	Unallocated Syndication Costs	Formation Loan	Capital, net
Balances at December 31, 2014	$ 1,257,000	$21,720,875	$ (943,738)	$(1,255,600)	$ 19,521,537
Contributions on application	2,179,437	—	—	—	—
Contributions admitted to members' capital	(2,770,937)	2,770,937	—	—	2,770,937
Premiums paid on application by RMC	1,750	—	—	—	—
Premiums admitted to members' capital	(8,750)	8,750	—	—	8,750
Net income	—	346,561	—	—	346,561
Earnings distributed to members	—	(387,250)	—	—	(387,250)
Earnings distributed used in DRIP	—	218,749	—	—	218,749
Member's redemptions	—	(153,474)	—	—	(153,474)
Formation loan funding	—	—	—	(152,561)	(152,561)
Formation loan payments received	—	—	—	8,366	8,366
Syndication costs incurred	—	—	(123,432)	—	(123,432)
Early withdrawal penalties	—	—	199	260	459
Balances at March 31, 2015	$ 658,500	$24,525,148	$(1,066,971)	$(1,399,535)	$ 22,058,642

	Managers			Total Members' Capital
	Capital	Unallocated Syndication Costs	Capital, net	
Balances at December 31, 2014	$ 32,268	$ (9,533)	$ 22,735	$ 19,544,272
Contributions on application	—	—	—	—
Contributions admitted to members' capital	2,780	—	2,780	2,773,717
Premiums paid on application by RMC	—	—	—	—
Premiums admitted to members' capital	—	—	—	8,750
Net income	3,501	—	3,501	350,062
Earnings distributed to members	(10,937)	—	(10,937)	(398,187)
Earnings distributed used in DRIP	—	—	—	218,749
Members' redemptions	—	—	—	(153,474)
Formation loan funding	—	—	—	(152,561)
Formation loan payments received	—	—	—	8,366
Syndication costs incurred	—	(1,247)	(1,247)	(124,679)
Early withdrawal penalties	—	2	2	461
Balances at March 31, 2015	$ 27,612	$ (10,778)	$ 16,834	$ 22,075,476

The accompanying notes are an integral part of these financial statements.

REDWOOD MORTGAGE INVESTORS IX, LLC
Statements of Cash Flows
For the Three Months Ended March 31, 2015 and 2014 (unaudited)

	2015	2014
Operations		
Interest received	$ 409,752	$ 341,224
Other loan income	2,310	1,268
Loan administration fee paid	(36,600)	(30,877)
Operating expense	27,093	(63,194)
Cash from operations	402,555	248,421
Investing – loan principal/advances		
Principal collected on loans	1,545,434	2,965,335
Loans originated	(3,660,000)	(3,272,750)
Advances on loans	(154)	—
Cash used in loan principal/advances, net	(2,114,720)	(307,415)
Financing – members' capital		
Contributions by members	2,183,809	943,021
Syndication costs paid, net	(124,679)	(32,429)
Formation loan funding	(152,561)	(65,961)
Formation loan collected	8,366	—
Cash from members' capital	1,914,935	844,631
Net cash increase(decrease) before distributions to members	202,770	785,637
Distributions to members		
Earnings distributed	(179,438)	(297,915)
Redemptions	(153,474)	159,404
Cash distributions to members	(332,912)	(138,511)
Net increase(decrease) in cash	(130,142)	647,126
Cash, beginning of period	1,264,314	1,176,630
Cash, end of period	$ 1,134,172	$ 1,823,756

Reconciliation of net income to net cash provided by (used in) operating activities:

	2015	2014
Net income	$ 350,062	$ 201,846
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Amortization of loan administration fees	31,691	31,509
Interest income, imputed on formation loan	(6,124)	(3,822)
Amortization of discount on formation loan	6,124	3,822
Change in operating assets and liabilities		
Accrued interest	(20,407)	(5,461)
Receivable from affiliate	77,347	15,037
Prepaid Expenses	—	25,000
Loan administration fees	(36,600)	(30,878)
Accounts payable	—	27,018
Payable to affiliate	—	(15,650)
Other	462	—
Total adjustments	52,493	46,575
Net cash provided by (used in) operating activities	$ 402,555	$ 248,421

The accompanying notes are an integral part of these financial statements.

NOTE 1 – ORGANIZATION AND GENERAL

Redwood Mortgage Investors IX, LLC (the “company”) is a Delaware limited liability company formed in October 2008 to make loans secured primarily by first and second deeds of trust on California real estate. Redwood Mortgage Corp. (“RMC”) and its wholly-owned subsidiary Gymno LLC (“Gymno”) are the managers of the company. The address of the company and the managers is 1825 South Grant Street, Suite 250, San Mateo, CA 94402. The mortgage loans the company invests in are arranged and are generally serviced by RMC. Michael Burwell is the president and majority shareholder (through his holdings and beneficial interests in certain trusts) of RMC.

In June 2012, the company filed with the SEC a second registration statement on Form S-11, which was declared effective in December 2012 that in substance extends the offering of member units past the sunset date of the registration of the initial public offering, which was filed in November 2008. The 2012 registration offers up to 150,000,000 units of its membership interests to the public and 37,500,000 units to its members pursuant to its distribution reinvestment plan. The second registration statement expires in December 2015, three years from the date declared effective. It is the manager’s intention to file a third registration statement to continue the offering.

Offering proceeds are released to the company and applied to investments in mortgage loans and the payment or reimbursement of organization and offering expenses. The amount of loans the company funds or acquires will depend upon the number of units sold in the public offering and the resulting amount of the net proceeds available for investment in loans.

The rights, duties and powers of the managers and members of the company are governed by the company’s operating agreement and the Delaware Limited Liability Company Act.

The managers are solely responsible for managing the business and affairs of the company, subject to the voting rights of the members on specified matters. Any one of the managers acting alone has the power and authority to act for and bind the company.

Members representing a majority of the outstanding units may, without the concurrence of the managers, vote to: (i) dissolve the company, (ii) amend the operating agreement, subject to certain limitations, (iii) approve or disapprove the sale of all or substantially all of the assets of the company or (iv) remove or replace one or all of the managers. The description of the company's operating agreement contained in these financial statements provides only general information.

A majority in interest of the members is required to elect a new manager to continue the company business after a manager ceases to be a manager due to its withdrawal.

Profits and losses are allocated among the members according to their respective capital accounts monthly after a percentage of the profits and losses not to exceed 1% (combined) is allocated to the managers. The monthly results are subject to subsequent adjustment as a result of quarterly and year-end accounting and reporting. Members may elect to have all or a portion of their monthly distributions reinvested in additional units, subject to the availability of units under the distribution reinvestment plan. Members may withdraw from the distribution reinvestment plan with written notice. No provision for federal and state income taxes (other than an $800 state minimum tax) is made in the financial statements since income taxes are the obligation of the members if and when income taxes apply. Investors should not expect the company to provide tax benefits of the type commonly associated with limited liability company tax shelter investments.

The description of the company’s operating agreement provisions contained in these financial statements’ notes provides only general information. Members should refer to the company's operating agreement for a more complete description of the provisions.

NOTE 1 – ORGANIZATION AND GENERAL (continued)

Distribution reinvestment plan

Members may elect to have all or a portion of their monthly distributions reinvested in additional units, subject to the availability of units under the distribution reinvestment plan. Members may withdraw from the distribution reinvestment plan with written notice.

Liquidity and unit redemption program

There are substantial restrictions on transferability of company units and accordingly an investment in the company is non-liquid. There is no public or secondary market for the units and none is expected to develop. Members have no right to withdraw from the company or to obtain the return of their capital account for at least one year from the date of purchase of units.

In order to provide a certain degree of liquidity, after the one-year period, a member may redeem all or part of their units, subject to certain limitations. The price paid for redeemed units will be based on the lesser of the purchase price paid by the redeeming member or the member's capital account balance as of the date of each redemption payment. Redemption value will be calculated as follows:

- For redemptions beginning after one year (but before two years) 92% of purchase price or 92% of the capital account balance, whichever is less;
- For redemptions beginning after two years (but before three years) 94% of purchase price or 94% of the capital account balance, whichever is less;
- For redemptions beginning after three years (but before four years) 96% of purchase price or 96% of the capital account balance, whichever is less;
- For redemptions beginning after four years (but before five years) 98% of purchase price or 98% of the capital account balance, whichever is less;
- For redemptions beginning after five years, 100% of purchase price or 100% of the capital account balance, whichever is less.

The company will attempt to redeem units quarterly, subject to certain limitations.

Notwithstanding the foregoing, with respect to any redemption, the number of units that may be redeemed per quarter per individual member will be subject to a maximum of the greater of 100,000 units or 25% of the member's units outstanding. For redemption requests requiring more than one quarter to fully redeem, the percentage discount amount that applies when the redemption payments begin will continue to apply throughout the entire redemption period and will apply to all units covered by such redemption request regardless of when the final redemption payment is made.

The company will not establish a reserve from which to fund redemptions. The company's capacity to redeem member units upon request is restricted to the availability of company cash flow. The company will not, in any calendar year, redeem more than 5% of the weighted average number of units outstanding during the twelve-month period immediately prior to the date of the redemption.

NOTE 1 – ORGANIZATION AND GENERAL (continued)

Contributed capital

The managers – between them - are required to contribute to capital 1/10 of 1% of the aggregate capital accounts of the members.

Managers' interest

If a manager is removed, withdrawn or terminated, the company will pay to the manager all amounts then accrued and owing to the manager. Additionally, the company will terminate the manager's interest in the company's profits, losses, distributions and capital by payment of an amount in cash equal to the then-present fair value of such interest.

Syndication costs

The company bears its own syndication costs, other than certain sales commissions, including legal and accounting expenses, printing costs, selling expenses and filing fees. Syndication costs are charged against members' capital and will be allocated to individual members consistent with the company’s operating agreement.

Formation loans

Sales commissions are not paid directly by the company out of the offering proceeds. Instead, the company loans to RMC, one of the managers, amounts to pay all sales commissions and amounts payable in connection with unsolicited orders. This loan is unsecured and non-interest bearing and is referred to as the “formation loan.” During the offering period, RMC will repay annually, one tenth of the principal balance of the formation loan as of December 31 of the prior year. Upon completion of the offering, the formation loan will be amortized over 10 years and is expected to be repaid in 10 equal annual installments. The formation loan has been deducted from members’ capital in the balance sheets. As amounts are received from RMC as payments on the loan, the deduction from capital will be reduced. Interest has been imputed at the market rate of interest in effect at the end of each quarter for the new additions to the loan. If the managers are removed and RMC is no longer receiving payments for services rendered, the formation loan is forgiven.

Income taxes and Members’ capital – tax basis

Income taxes – federal and state – are the obligation of the members, if and when taxes apply, other than for the minimum annual California franchise tax paid by the company.

Term of the Company

The company is scheduled to terminate in 2028, unless sooner terminated as provided in the operating agreement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions about the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Such estimates relate principally to the determination of the allowance for loan losses, including, when applicable, the valuation of impaired loans (which itself requires determining the fair value of the collateral), and the valuation of real estate held for sale and held as investment, at acquisition and subsequently. Actual results could differ significantly from these estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management estimates (continued)

-Fair value estimates

GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact and (iv) willing to transact.

Fair values of assets and liabilities are determined based on the fair-value hierarchy established in GAAP. The hierarchy is comprised of three levels of inputs to be used:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the company's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the company's own data.

The recorded amount of the performing loans (i.e. the loan balance) is deemed to approximate the fair value. Loans designated impaired (i.e. that are collateral dependent) are measured at fair value on a non-recurring basis. Collateral fair values are reviewed quarterly and the protective equity for each loan is computed. As used herein, "protective equity" is the arithmetic difference between the fair value of the collateral, net of any senior liens, and the loan balance, where "loan balance" is the sum of the unpaid principal, advances and the recorded interest thereon. This computation is done for each loan (whether impaired or performing), and while loans secured by collateral of similar property type are grouped, there is enough distinction and variation in the collateral that a loan-by-loan, collateral-by-collateral analysis is appropriate.

The fair value of the collateral is determined by exercise of judgment based on management's experience informed by appraisals (by licensed appraisers), brokers' opinion of values, and publicly available information on in-market transactions.

Appraisals of commercial real property generally present three approaches to estimating value: 1) market comparables or sales approach; 2) cost to replace and 3) capitalized cash flows or investment approach. These approaches may or may not result in a common, single value. The market-comparables approach may yield several different values depending on certain basic assumptions, such as, determining highest and best use (which may or may not be the current use); determining the condition (e.g. as-is, when-completed, or for land when-entitled); and determining the unit of value (e.g. as a series of individual unit sales or as a bulk disposition).

Management has the requisite familiarity with the real estate markets it lends in generally and of the properties lent on specifically to analyze sales-comparables and assess their suitability/applicability. Management is acquainted with market participants – investors, developers, brokers, lenders – that are useful, relevant secondary sources of data and information regarding valuation and valuation variability. These secondary sources may have familiarity with and perspectives on pending transactions, successful strategies to optimize value, and the history and details of specific properties – on and off the market – that enhance the process and analysis that is particularly and principally germane to establishing value in distressed markets and/or property types.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management estimates (continued)

-Earnings estimates

Since inception through March 31, 2015, the company has distributed cash of $4,448,842 (which includes $2,102,594 reinvested in DRIP units) to the members, based upon the managers' projections of net income using several variables which included but were not limited to, an average rate of return for the loan portfolio, turnover rate of the loan portfolio, and the availability of quality loans for investment. The company's net income, applicable to members, during this period has been $3,616,189. In 2015, provided the company becomes and remains fully invested in quality mortgage loans, this difference of $832,653 should diminish. In the three months ended March 31, 2015, cash distributed to members was $387,250 and net income attributed to members was $346,561.

Cash and cash equivalents

The company considers all highly liquid financial instruments with maturities of three months or less at the time of purchase to be cash equivalents. Periodically, company cash balances in banks exceed federally insured limits.

Loans and interest income

Loans generally are stated at the unpaid principal balance (principal). Management has discretion to pay amounts (advances) to third parties on behalf of borrowers to protect the company's interest in the loan. Advances include, but are not limited to, the payment of interest and principal on a senior lien to prevent foreclosure by the senior lien holder, property taxes, insurance premiums, and attorney fees. Advances generally are stated at the amounts paid out on the borrower's behalf and any accrued interest on amounts paid out, until repaid by the borrower.

The company may fund a specific loan origination net of an interest reserve to insure timely interest payments at the inception (one to two years) of the loan. As monthly interest payments become due, the company funds the payments into the affiliated trust account. In the event of an early loan payoff, any unapplied interest reserves would be first applied to any accrued but unpaid interest and then as a reduction to the principal.

If events and or changes in circumstances cause management to have serious doubts about the collectability of the payments of interest and principal in accordance with the loan agreement, a loan may be designated as impaired. Impaired loans are included in management's periodic analysis of recoverability. Any subsequent payments on impaired loans are applied to late fees, then to the accrued interest, then to advances, and lastly to principal.

From time to time, the company negotiates and enters into loan modifications with borrowers whose loans are delinquent. If the loan modification results in a significant reduction in the cash flow compared to the original note, the modification is deemed a troubled debt restructuring and a loss is recognized. In the normal course of the company's operations, loans that mature may be renewed at then current market rates and terms for new loans. Such renewals are not designated as impaired, unless the renewed loan was previously designated as impaired.

Interest is accrued daily based on the principal of the loans. An impaired loan continues to accrue as long as the loan is in the process of collection and is considered to be well-secured. Loans are placed on non-accrual status at the earlier of management's determination that the primary source of repayment will come from the foreclosure and subsequent sale of the collateral securing the loan (which usually occurs when a notice of sale is filed) or when the loan is no longer considered well-secured. When a loan is placed on non-accrual status, the accrual of interest is discontinued; however, previously recorded interest is not reversed. A loan may return to accrual status when all delinquent interest and principal payments become current in accordance with the terms of the loan agreement.

<u>NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (continued)

Loans and interest income (continued)

Loan administration fees are capitalized and amortized over the life of the loan on a straight-line method which approximates the effective interest method.

Allowance for loan losses

Loans and the related accrued interest and advances are analyzed on a periodic basis for ultimate recoverability. Delinquencies are identified and followed as part of the loan system. Delinquencies are determined based upon contractual terms. For impaired loans, a provision is made for loan losses to adjust the allowance for loan losses to an amount considered by management to be adequate, with due consideration to collateral values, such that the net carrying amount (principal, plus advances, plus accrued interest less the specific allowance) is reduced to the present value of future cash flows discounted at the loan's effective interest rate, or, if a loan is collateral dependent, to the estimated fair value of the related collateral, net of any senior loans and net of any costs to sell in arriving at net realizable value if planned disposition of the asset securing a loan is by way of sale.

Loans determined not to be individually impaired are grouped by the property type of the underlying collateral, and for each loan and for the total by property type, the amount of protective equity or amount of exposure to loss (*i.e.*, the dollar amount of the deficiency of the fair value of the underlying collateral to the loan balance) is computed.

Based on its knowledge of the borrowers and their historical (and expected) performance, and the exposure to loss, management estimates an appropriate reserve by property type for probable credit losses in the portfolio. Because the company is an asset-based lender, except as to owner-occupied residences, and because specific regions, neighborhoods and even properties within the same neighborhoods vary significantly as to real estate values and transaction activity, general market trends, which may be indicative of a change in the risk of a loss, and a borrower's credit worthiness are secondary to the condition of the property, the property type and the neighborhood/region in which the property is located, and do not enter substantially into the determination of the amount of the non-specific (i.e. general) reserves.

The company charges off uncollectible loans and related receivables directly to the allowance account once it is determined the full amount is not collectible.

Recently issued accounting pronouncements

There are no recently effective or issued but not yet effective accounting pronouncements which would have a material effect on the company's reported financial position or results of operations.

<u>NOTE 3 – MANAGERS AND OTHER RELATED PARTIES</u>

The managers are allocated one percent of the profits and losses, which amounted to $3,501 and $2,018 for the three months ended March 31, 2015 and 2014, respectively.

NOTE 3 – MANAGERS AND OTHER RELATED PARTIES (continued)

Formation loan

Formation loan transactions are presented in the following table at March 31, 2015.

	Three months ended	Since Inception
Balance, January 1	$ 1,255,600	$ —
Formation loan made	152,561	1,730,976
Unamortized discount on imputed interest	(17,944)	(176,020)
	1,390,217	1,554,956
Repayments received from RMC	(8,366)	(326,558)
Early withdrawal penalties applied	(260)	(4,883)
Formation loan, net	1,381,591	1,223,515
Unamortized discount on imputed interest	17,944	176,020
Balance, March 31	$ 1,399,535	$ 1,399,535
Subscription proceeds to date	$ 24,613,235	$ 24,613,235

The formation loan has been deducted from members' capital in the balance sheets. As amounts are collected from RMC, the deduction from capital will be reduced. Interest has been imputed at the market rate of interest in effect at the end of each quarter for the new additions to the loan.

The future minimum payments on the formation loan are presented in the following table.

2015	$ 125,560
2016	125,560
2017	125,560
2018	125,560
2019	125,560
Thereafter	771,735
Total	$ 1,399,535

RMC is required to repay the formation loan. During the offering period, RMC is expected to repay annually, one tenth of the principal balance of the formation loan as of December 31 of the prior year. Upon completion of the offering, the formation loan is expected to be amortized over 10 years and repaid in 10 equal annual installments. If the managers are removed and RMC is no longer receiving payments for services rendered, the formation loan is forgiven.

The following commissions and fees are paid by the borrowers.

-Brokerage commissions, loan originations

For fees in connection with the review, selection, evaluation, negotiation and extension of loans, RMC may collect a loan brokerage commission that is expected to range from approximately 2% to 5% of the principal amount of each loan made during the year. Total loan brokerage commissions are limited to an amount not to exceed 4% of the total company assets per year. The loan brokerage commissions are paid by the borrowers, and thus, are not an expense of the company. For the three months ended March 31, 2015 and 2014, these fees totaled $27,925 and $52,701, respectively.

<u>NOTE 3 – MANAGERS AND OTHER RELATED PARTIES</u> (continued)

-Other fees

RMC or Gymno will receive fees for processing, notary, document preparation, credit investigation, reconveyance, and other mortgage related fees. The amounts received are customary for comparable services in the geographical area where the property securing the loan is located, payable solely by the borrower and not by the company. For the three months ended March 31, 2015 and 2014, these fees totaled $4,322 and $8,319, respectively.

The following fees are paid by the company to the managers.

-Loan administrative fees

RMC will receive a loan administrative fee in an amount up to 1% of the principal amount of each new loan originated or acquired on the company's behalf by RMC for services rendered in connection with the selection and underwriting of potential loans. Such fees are payable by the company upon the closing or acquisition of each loan. For the three months ended March 31, 2015 and 2014, the loan administration fees paid by the company to RMC were $36,600 and $30,878, respectively.

-Mortgage servicing fees

RMC earns mortgage servicing fees from the company of up to one-quarter of one percent (0.25%) annually of the unpaid principal balance of the loan portfolio or such lesser amount as is reasonable and customary in the geographic area where the property securing the mortgage is located. RMC is entitled to receive these fees regardless of whether specific mortgage payments are collected. The mortgage servicing fees are accrued monthly on all loans. Remittance to RMC is made monthly unless the loan has been assigned a specific loss reserve, at which point remittance is deferred until the specific loss reserve is no longer required, or the property has been acquired by the company. To enhance the earnings of the company, RMC, in its sole discretion, may elect to accept less than the maximum amount of the mortgage servicing fee. An increase or decrease in this fee within the limits set by the operating agreement directly impacts the yield to the members. Mortgage servicing fees incurred and paid were $12,160 and $9,013 for the three months ended March 31, 2015 and 2014, respectively. RMC did not waive any mortgage servicing fees during 2015 and 2014.

-Asset management fees

The managers are entitled to receive a monthly asset management fee for managing the company's portfolio and operations in an amount up to three-quarters of one percent (0.75%) annually of the portion of the capital originally committed to investment in mortgages, not including leverage, and including up to two percent of working capital reserves. This amount will be recomputed annually after the second full year of operations by subtracting from the then fair value of the company's loans plus working capital reserves, an amount equal to the outstanding debt.

The managers, in their sole discretion, may elect to accept less than the maximum amount of the asset management fee. An increase or decrease in this fee within the limits set by the operating agreement directly impacts the yield to the members. RMC at its sole discretion, waived asset management fees during the three months ended 2015 and 2014, of $44,149 and $34,263, respectively. There is no assurance the managers will decrease or waive these fees in the future.

Asset management fees paid to the managers are presented in the following table for the three months ended March 31.

	Three months ended March 31,	
	2015	2014
Maximum chargeable by the managers	$ 44,149	$ 34,263
Waived by the managers	(44,149)	(34,263)
Charged	$ —	$ —

NOTE 3 – MANAGERS AND OTHER RELATED PARTIES (continued)

-Costs through RMC

RMC, a manager, per the operating agreement, may request reimbursement by the company for operating expenses incurred on behalf of the company, including without limitation, accounting and audit fees, legal fees and expenses, postage and preparation of reports to members, and out-of-pocket general and administration expenses. Certain costs (e.g. postage) can be allocated specifically to the company. Other costs are allocated on a pro-rata basis (e.g. by the company's percentage of total capital of all mortgage funds managed by RMC). Payroll and consulting fees are broken out first based on activity, and then allocated to the company on a pro-rata basis based on percentage of capital to the total capital of all mortgage funds. The decision to request reimbursement of any qualifying charges is made by RMC in its sole discretion. Operating expenses, for which reimbursement was requested, were $36,286 and $41,582 for the three months ended March 31, 2015 and 2014, respectively. All fees RMC was entitled to, and requested were reimbursed during the period.

In addition, the managers, in their sole discretion, may elect to reimburse the company for professional services (primarily audit and tax expense). An increase or decrease in reimbursements from the manager directly impact the yield to the members. For the three months ended March 31, 2015, RMC reimbursed the company for professional services of $33,531. No reimbursement for professional fees were made for the three months ending March 31, 2014. There is no assurance the managers will reimburse these expenses in the future.

-Syndication costs

Syndication costs (all expenses incurred in connection with the start-up of the company or ongoing offering of the units, including legal and accounting fees, printing, mailing, distribution costs, filing fees, reimbursements to participating broker-dealers for due diligence expenses, reimbursements for training and education meetings for associated persons of a FINRA member, marketing reallowances of up to 1% of gross offering proceeds [gross offering proceeds is sale of units, excluding DRIP and premium units]) up to 4.5% of the gross proceeds, are reimbursed to RMC until RMC is repaid in full, and then the company will pay any additional costs directly. The syndication costs are substantially front-ended, and RMC is reimbursed for these expenses quarterly up to 4.5% of the cumulative-to-date gross offering proceeds.

	2015	2014
Balance, January 1	$ 953,271	$ 754,491
Costs reimbursed to RMC (1)	124,679	31,912
Costs paid by the company	—	517
Early withdrawal penalties applied (3)	(201)	—
Allocated to date (2)	—	—
Balance, March 31	$ 1,077,749	$ 786,920
Gross offering proceeds	$ 23,954,735	$ 17,487,119
Percent reimbursed to RMC	4.50%	4.50%

(1) As of March 31, 2015, RMC had incurred approximately $3,175,000 of syndication costs for the company and approximately $2,098,000 remains to be reimbursed by the company to RMC. As of March 31, 2014, RMC had incurred approximately $2,772,000 of syndication costs for the company and approximately $1,985,000 remained to be reimbursed to RMC.

(2) Allocation of the syndication costs to the individual investors' capital accounts begins after the company's fifth full fiscal year, in accordance with the terms of the company's operating agreement and IRS Code Section 709.

(3) Redemption penalties collected are applied to the next installment of principal due under the formation loan and to reduce the amount owed RMC for syndication costs. The amounts credited will be determined by the ratio between the initial amount of the formation loan and the total amount of offering costs incurred by the company.

NOTE 4 – LOANS

Loans generally are funded at a fixed interest rate with a loan term of up to five years. Loans acquired are generally done so within the first six months of origination, and purchased at the current par value, which approximates fair value. As of March 31, 2015, 50 of the company's 53 loans (representing 98% of the aggregate principal of the company's loan portfolio) have a loan term up to five years or less from loan inception. The remaining loans have terms longer than five years. Substantially all loans are written without a prepayment-penalty provision. As of March 31, 2015, 21 loans outstanding (representing 63% of the aggregate principal balance of the company's loan portfolio) provide for monthly payments of interest only, with the principal due in full at maturity. The remaining loans require monthly payments of principal and interest, typically calculated on a 30 year amortization, with the remaining principal balance due at maturity.

Secured loans unpaid principal balance (principal)

Secured loan transactions are summarized in the following table for the three months ended March 31.

	2015	2014
Principal, January 1	$ 19,185,660	$ 14,698,430
Loans Funded	—	736,000
Loans acquired from affiliates	3,660,000	2,536,750
Payments received	(1,545,434)	(2,965,335)
Principal, March 31	$ 21,300,226	$ 15,005,845

Loan characteristics

Secured loans had the characteristics presented in the following table.

	March 31, 2015	December 31, 2014
Number of secured loans	53	52
Secured loans – principal	$ 21,300,226	$ 19,185,660
Secured loans – lowest interest rate (fixed)	7.25%	7.25%
Secured loans – highest interest rate (fixed)	10.00%	10.00%
Average secured loan – principal	$ 401,891	$ 368,955
Average principal as percent of total principal	1.89%	1.92%
Average principal as percent of members' capital	1.82%	1.89%
Average principal as percent of total assets	1.77%	1.77%
Largest secured loan – principal	$ 1,600,000	$ 1,600,000
Largest principal as percent of total principal	7.51%	8.34%
Largest principal as percent of members' capital	7.25%	8.19%
Largest principal as percent of total assets	7.04%	7.69%
Smallest secured loan – principal	$ 45,068	$ 66,278
Smallest principal as percent of total principal	0.21%	0.35%
Smallest principal as percent of members' capital	0.20%	0.34%
Smallest principal as percent of total assets	0.20%	0.32%
Number of counties where security is located (all California)	13	13
Largest percentage of principal in one county	29.51%	25.23%
Number of secured loans in foreclosure	1	1
Secured loans in foreclosure – principal	192,843	193,893
Number of secured loans with an interest reserve	—	—
Interest reserves	$ —	$ —

NOTE 4 – LOANS (continued)

Loan characteristics (continued)

As of March 31, 2015, the company's largest loan in the principal of $1,600,000 represents 7.51% of outstanding secured loans and 7.04% of company assets. The loan is secured by a residential property located in Aptos, California, bears an interest rate of 8.75% and matures on August 1, 2015.

Larger loans sometimes increase above 10% of the secured loan portfolio or company assets as these amounts decrease due to member withdrawals, loan payoffs, or due to restructuring of existing loans.

Distribution of loans within California

The distribution of secured loans outstanding by California counties is presented in the following table.

	March 31, 2015		December 31, 2014	
	Unpaid Principal Balance	Percent	Unpaid Principal Balance	Percent
San Francisco Bay Area				
San Francisco	$ 6,284,854	29.51%	$ 4,584,854	23.90%
Alameda	2,315,172	10.87	2,322,907	12.11
San Mateo	1,653,335	7.76	1,554,577	8.10
Santa Clara	1,349,972	6.34	891,674	4.65
Contra Costa	1,185,835	5.57	1,186,371	6.18
Sonoma	66,867	0.31	67,146	0.35
	12,856,035	60.36	10,607,529	55.29
Other Northern California				
Santa Cruz	1,600,000	7.51	2,320,000	12.09
Monterey	180,551	0.85	180,897	0.95
	1,780,551	8.36	2,500,897	13.03
Northern California Total	14,636,586	68.72	13,108,426	68.32
Los Angeles & Coastal				
Los Angeles	5,050,205	23.71	4,840,941	25.23
Orange	432,070	2.03	432,828	2.26
San Diego	45,068	0.21	66,278	0.35
	5,527,343	25.95	5,340,047	27.84
Other Southern California				
San Bernardino	635,021	2.98	635,768	3.31
Riverside	501,276	2.35	101,419	0.53
	1,136,297	5.33	737,187	3.84
Southern California Total	6,663,640	31.28	6,077,234	31.68
Total Secured Loans	$ 21,300,226	100.00%	$ 19,185,660	100.00%

NOTE 4 – LOANS (continued)

Commitments/loan disbursements/construction and rehabilitation loans

The company may make construction loans that are not fully disbursed at loan inception. Construction loans are determined by the managers to be those loans made to borrowers for the construction of entirely new structures or dwellings, whether residential, commercial or multi-family properties. The company will approve and fund the construction loan up to a maximum loan balance. Disbursements will be made periodically as phases of the construction are completed or at such other times as the loan documents may require. Undisbursed construction funds will be held in escrow pending disbursement. Upon project completion, construction loans are reclassified as permanent loans. Funding of construction loans is limited to 10% of the loan portfolio. At March 31, 2015, the company had no construction loans outstanding.

The company may also make rehabilitation loans. A rehabilitation loan will be approved up to a maximum principal balance and, at loan inception, will be either fully or partially disbursed. If fully disbursed, a rehabilitation escrow account is established and advanced periodically as phases of the rehabilitation are completed or at such other times as the loan documents may require. If not fully disbursed, the rehabilitation loan will be funded from available cash balances and future cash receipts. The company does not maintain a separate cash reserve to fund undisbursed rehabilitation loan obligations. Rehabilitation loan proceeds are generally used to acquire and remodel single family homes for future sale or rental. Upon project completion, rehabilitation loans are reclassified as permanent loans. Funding of rehabilitation loans is limited to 15% of the loan portfolio. At March 31, 2015, the company had no rehabilitation loans outstanding.

Lien position

Secured loans had the lien positions presented in the following table.

	March 31, 2015			December 31, 2014		
	Loans	Principal	Percent	Loans	Principal	Percent
First trust deeds	46	$ 19,636,633	92%	44	$ 17,114,452	89%
Second trust deeds	7	1,663,593	8	8	2,071,208	11
Total secured loans	53	21,300,226	100%	52	19,185,660	100%
Liens due other lenders at loan closing		3,309,639			4,773,151	
Total debt		$ 24,609,865			$ 23,958,811	
Appraised property value at loan closing		$ 47,463,405			$ 44,552,048	
Percent of total debt to appraised values (LTV) at loan closing(1)		51.85%			53.78%	

(1) Based on appraised values and liens due other lenders at loan closing. The loan-to-value (LTV) computation does not take into account subsequent increases or decreases in security property values following the loan closing nor does it include decreases or increases of the amount owing on senior liens to other lenders by payments or interest accruals, if any.

NOTE 4 – LOANS (continued)

Property type

Secured loans summarized by property type are presented in the following table.

	March 31, 2015			December 31, 2014		
	Loans	Principal	Percent	Loans	Principal	Percent
Single family(2)	40	$ 14,935,302	70%	40	$ 14,512,116	76%
Multi-family	4	1,966,885	9	3	1,272,724	6
Commercial	9	4,398,039	21	9	3,400,820	18
Total secured loans	53	$ 21,300,226	100%	52	$ 19,185,660	100%

(2) Single family property type as of March 31, 2015 consists of five loans with principal of $1,294,710 that are owner occupied and 35 loans with principal of $13,640,592 that are non-owner occupied. At December 31, 2014, single family property consisted of five loans with principal of $1,318,743 that were owner occupied and 35 loans with principal of $13,193,373 that were non-owner occupied.

Scheduled maturities

Secured loans are scheduled to mature as presented in the following table.

Calendar Year	Loans	Principal	Percent
2015(3)	8	$ 5,578,325	26%
2016	13	4,359,634	20
2017	10	4,529,341	21
2018	6	1,218,922	6
2019	13	5,028,384	24
2020	2	518,887	2
Thereafter	1	66,733	1
Total secured loans	53	$ 21,300,226	100%

(3) Loans maturing in 2015 from April 1 to December 31

Loans may be repaid or refinanced before, at or after the contractual maturity date. On matured loans, the company may continue to accept payments while pursuing collection of amounts owed from borrowers. Therefore, the above tabulation for scheduled maturities is not a forecast of future cash receipts.

The company reports maturity data based upon the most recent contractual agreement with the borrower. There were no renewals for the three months ended March 31, 2015.

Delinquency

Secured loans summarized by payment delinquency are presented in the following table.

	March 31, 2015	December 31, 2014
Past Due		
30-89 days	$ 584,854	$ 448,930
90-179 days	—	514,791
180 or more days	—	—
Total past due	584,854	963,721
Current	20,715,372	18,221,939
Total secured loans	$ 21,300,226	$ 19,185,660

<u>NOTE 4 – LOANS</u> (continued)

Modifications and troubled debt restructurings

There were no loan modifications made during the three months ended March 31, 2015, and no modifications were in effect as of March 31, 2015 or December 31, 2014.

Loans in non-accrual status

At March 31, 2015 and December 31, 2014, there were no loans designated in non-accrual status.

Impaired loans/allowance for loan losses

At March 31, 2015 and December 31, 2014, the company had not designated any loans as impaired, and had not recorded an allowance for loan losses as all loans were deemed to have protective equity (*i.e.*, low loan-to-value ratio) such that collection is reasonably assured for amounts owing.

Fair Value

The company does not record its loans at fair value on a recurring basis. The recorded amount of the performing loans (i.e. the loan balance) is deemed to approximate the fair value.

- *Secured loans, performing (i.e. not designated as impaired) (Level 2)* - Each loan is reviewed for its delinquency, LTV adjusted for the most recent valuation of the underlying collateral, remaining term to maturity, borrower's payment history and other factors. Also considered is the limited resale market for the loans. Most companies or individuals making similar loans as the partnership intend to hold the loans until maturity as the average contractual term of the loans (and the historical experience of the time the loan is outstanding due to pre-payments) is shorter than conventional mortgages. Further there are no prepayment penalties to be collected and any loan buyers would be hesitant to risk paying above par. Due to these factors sales of the loans are infrequent and an active market does not exist.

Loans designated impaired (i.e. that are collateral dependent) are measured at fair value on a non-recurring basis. The company did not have any loans designated impaired at March 31, 2015 or December 31, 2014.

- *Secured loans, designated impaired (Level 2)* **–** Secured loans designated impaired are deemed collateral dependent, and the fair value of the loan is the lesser of the fair value of the collateral or the enforceable amount owing under the note. The fair value of the collateral is determined by exercise of judgment based on management's experience informed by appraisals (by licensed appraisers), brokers' opinion of values, and publicly available information on in-market transactions (Level 2 inputs).

NOTE 4 – LOANS (continued)

Fair Value (continued)

The following methods and assumptions are used to determine the fair value of the collateral securing a loan.

Single family – Management's preferred method for determining the fair market value of its single-family residential assets is the sale comparison method. Management primarily obtains sale comps via its subscription to the RealQuest service, but also uses free online services such as Zillow.com and other available resources to supplement this data. Sale comps are reviewed for similarity to the subject property, examining features such as proximity to subject, number of bedrooms and bathrooms, square footage, sale date, condition, and year built.

Where sufficient, applicable sale comps are not available or deemed unreliable, management will seek additional information in the form of broker's opinions of value or appraisals.

Multi-family residential - Management's preferred method for determining the aggregate retail value of its multifamily units is the sale comparison method. Sale comps are reviewed for similarity to the subject property, examining features such as proximity to subject, rental income, number of units, composition of units by the number of bedrooms and bathrooms, square footage, condition, amenities, and year built.

Where adequate sale comps are not available, management will seek additional information in the form of broker's opinions of value or appraisals.

Management's secondary method for valuing its multifamily assets as income-producing rental operations is the direct capitalization method. In order to determine market cap rates for properties of the same class and location as the subject, management refers to published data from reliable third-party sources such as the CBRE Cap Rate Survey. Management applies the appropriate cap rate to the subject's most recent available annual net operating income to determine the property's value as an income-producing project. When reliable net operating income information is not available or the project is under development or is under-performing to market, management will seek additional information and analysis to determine the cost to improve and the intrinsic fair value.

Commercial buildings – Where commercial rental income information is available, management's preferred method for determining the fair value of its commercial real estate assets is the direct capitalization method. In order to determine market cap rates for properties of the same class and location as the subject, management refers to reputable third-party sources such as the CBRE Cap Rate Survey. Management then applies the appropriate cap rate to the subject's most recent available annual net operating income to determine the property's value as an income-producing commercial rental project. When reliable net operating income information is not available or the project is under development or is under-performing to market, management will seek additional information and analysis to determine the cost to improve and the intrinsic fair value.

Management supplements the direct capitalization method with additional information in the form of a sale comparison analysis (where adequate sale comps are available), broker's opinion of value, or appraisal.

Commercial land – Commercial land has many variations/uses, thus requiring management to employ a variety of methods depending upon the unique characteristics of the subject land. Management may rely on information in the form of a sale comparison analysis (where adequate sale comps are available), broker's opinion of value, or appraisal.

NOTE 5 – COMMITMENTS AND CONTINGENCIES, OTHER THAN LOAN COMMITMENTS AND SYNDICATION COSTS

Legal proceedings

In the normal course of business, the company may become involved in various legal proceedings such as assignment of rents, bankruptcy proceedings, appointment of receivers, unlawful detainers, judicial foreclosure, etc., to enforce the provisions of the deeds of trust, collect the debt owed under the promissory notes, or to protect, or recoup its investment from the real property secured by the deeds of trust and to resolve disputes between borrowers, lenders, lien holders and mechanics. None of these actions typically would be of any material importance. As of March 31, 2015, the company is not involved in any legal proceedings other than those that would be considered part of the normal course of business.

Commitments

There were no commitments other than those disclosed in Note 4.

NOTE 6 – SUBSEQUENT EVENTS

None

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the unaudited financial statements and notes thereto, which are included in Item 1 of this Report, as well as the audited financial statements and the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the company's Annual Report on Form 10-K for the year ended December 31, 2014.

Forward-Looking Statements

Certain statements in this Report on Form 10-Q which are not historical facts may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the company's expectations, hopes, intentions, beliefs and strategies regarding the future. Forward-looking statements include statements regarding future interest rates and economic conditions and their effect on the company and its assets, that the difference between net income recorded and cash distributed to members will diminish in the future, trends in the California real estate market, estimates as to the allowance for loan losses, estimates of future member redemptions, the company's full investment of cash, future funding of loans by the company, and beliefs relating to how the company will be affected by current economic conditions and trends in the financial and credit markets. Actual results may be materially different from what is projected by such forward-looking statements. Factors that might cause such a difference include unexpected changes in economic conditions and interest rates, the effect of competition and competitive pricing and downturns in the real estate markets in which the company has made loans. All forward-looking statements and reasons why results may differ included in this Form 10-Q are made as of the date hereof, and we assume no obligation to update any such forward-looking statement or reason why actual results may differ.

Overview

Redwood Mortgage Investors IX, LLC (the company) is a Delaware limited liability company, qualified to conduct business in California, formed in October 2008 to make loans secured primarily by first and second deeds of trust on California real estate. Redwood Mortgage Corp. (RMC) and its wholly-owned subsidiary Gymno LLC (Gymno) are the managers of the company. The address of the company and the managers is 1825 South Grant Street, Suite 250, San Mateo, CA 94402. The mortgage loans the company invests in are arranged and are generally serviced by RMC. Michael Burwell is the president and majority shareholder (through his holdings and beneficial interests in certain trusts) of RMC.

In December 2012, the first follow-on offering was declared effective by the Securities and Exchange Commission. The same number of units are being offered in the follow-on offering (150,000,000 primary units and 37,500,000 units under the distribution reinvestment plan) as were offered in the initial public offering that commenced in June 2009.

Offering proceeds are released to the company and applied to investments in mortgage loans and the payment or reimbursement of organization and offering expenses. The amount of loans the company funds or acquires will depend upon the number of units sold in the public offering and the resulting amount of the net proceeds available for investment in loans.

The company will experience a relative increase in liquidity if and when additional subscriptions for units are received and a relative decrease in liquidity as net offering proceeds are expended in connection with the funding and acquisition of loans and the payment or reimbursement of organization and offering expenses.

Critical Accounting Policies

See Note 2 (Summary of Significant Accounting Policies) to the financial statements included in Part I, Item 1 of this report for a detailed presentation of critical accounting policies, which presentation is incorporated by this reference into this Item 2.

Managers and Other Related Parties

See Notes 1 (Organization and General) and 3 (Managers and Other Related Parties) to the financial statements included in Part I, Item 1 of this Report for a detailed presentation of the company activities for which related parties are compensated and related transactions, including the formation loan to RMC, which presentation is incorporated by this reference into this Item 2.

Results of Operations

General Economic Conditions

In the publication "California Employment Conditions: March 2015" the Wells Fargo Group notes:

"Hiring Remains on the Fast Track – California continues to add jobs at a rapid clip. Nonfarm payrolls increased by 39,800 in March, with solid gains across most major industries. As has been the case throughout the recovery, employment growth is being led by hiring in California's technology sector. Employment in professional, scientific & technical services rose 0.8 percent in March and is up 6.2 percent year over year."

"Total civilian employment in California has risen 2.7 percent over the past year, while the state's labor force increased just 1.1 percent. Nationwide, total civilian employment rose 1.7 percent over the past year and the labor force grew just 0.5 percent. California's stronger growth is apparently pulling job seekers back into the workforce and also pulling job seekers from other parts of the country."

"Among metropolitan areas, the lowest employment rate continues to be found in the San Francisco Bay Area, where years of strong employment growth have driven the jobless rate in San Francisco to below 4 percent."

"The improvement in employment conditions is still most apparent in areas closest to California's largest metropolitan areas. The outer reaches of the Bay area and Central Valley are improving but most areas are still enduring relatively high unemployment rates."

"Although southern California has not quite matched the Bay area's gains, employment conditions have improved considerably. Nonfarm employment in Los Angeles has surged 2.7 percent over the past year, producing a gain of 113,300 new jobs. Hiring rose even more dramatically in the Inland Empire, with nonfarm payrolls surging 4.2 percent over the past year."

"San Diego continues to see strong gains, with nonfarm payrolls rising 3.1 percent over the past year and 40,900 net new jobs created across the metro area. Overall job growth continues to be driven by gains in the region's burgeoning life sciences and technology sector. Hiring in professional and technical services has surged 7.2 percent over the past year, producing a net gain of 9,100 new jobs."

As noted in the "California Economic Outlook: February 2015" by Wells Fargo's Economics Group:

"California's economy continues to power forward, with many of the Golden State's largest and most important industries gaining momentum over the course of 2014. High-tech employers have shown no sign of slowing their hiring. Employment in professional, scientific and technical services, the industry with the largest number of tech-related workers, grew 4.3 percent in 2014. San Francisco, San Jose and San Diego are all benefitting from the strong growth in this major industry group. Health services are also expanding rapidly and appear to have adjusted to the rollout of the Affordable Care Act with only minimal disruption. Construction has picked up to keep pace with the rapidly expanding economy and demand for apartments, warehouse and office is rising solidly. Home sales remain sluggish but the trend seems to be somewhat more positive than what we have seen nationwide. Home price appreciation continues to run ahead of the national average, reflecting both stronger economic gains and a scarcity of developable land."

"The office market in the state continues to flourish. Employment in the construction industry in nonresidential buildings is up a whopping 9.6 percent from a year ago."

"The multifamily sector continues to strengthen, which comes somewhat in contrast to the slowdown we have seen nationwide. The apartment market is exceptionally strong in the Bay Area and San Diego. Vacancy rates in San Jose, San Diego, Los Angeles and San Francisco are all below the national average, which is encouraging more growth in those markets."

"CONCLUSION & OUTLOOK – California's economy will continue to outperform the national average. The surge in technology-related industries has had huge spillover effects in the Bay Area and San Diego, with construction projects cropping up to meet rising demand. The state has proved to be much more than one-trick pony, however, with gains seen in most industries. Life and health sciences also appear to be strengthening, while transportation & warehousing continue to pick up. The housing market continues to show improvement and rising home prices should help boost consumption in a state where numerous homeowners had sizable wealth declines during the housing bust. The state faces its fair share of challenges, but by most measures, they appear to be abating. Drought has plagued the state's famers and although water levels remain below normal, they have improved relative to a year ago. Furthermore, the port dispute has now been resolved, with workers rapidly removing the backlog of goods, which should provide a boost to the Inland Empire. The longer-run prospects for the state are favorable, as California is home to some to the most highly-skilled workers in the world, a key driver of growth that is unlikely to change any time soon. Despite the high-cost environment, more people move into the state than move out of it, further reflecting the robust labor market and the abundance of high-paying jobs."

As noted in the prior report "California Economic Outlook: November 2014" published by Wells Fargo's Economics Group:

"Real GDP growth in the Golden State outpaced the nation in each of the past three years. Although employment gains have moderated somewhat in 2014, overall job growth is poised to outpace the nation once again, suggesting that real GDP growth will also outpace the nation in 2014. Much of the state's strongest gains continue to be concentrated in San Jose and San Francisco, although other metro areas such as San Diego and Fresno have also seen conditions improve considerably over the past year. Growth in the tech sector is spilling over into other parts of the economy and construction activity has ramped up to meet the growing needs of the state's expanding population base and recovering economy. Home prices have rebounded across the state and incomes are rising at the strongest pace since the recovery."

"California continues to attract a great deal of business investment, particularly in the information technology, life sciences and entertainment industries. Tourism has also improved, with international and domestic visitor counts rising."

In the publication "California Employment Conditions: January 2015" the Wells Fargo Economics Group notes:

"California is the largest state in the nation by population and has a remarkably diverse economy, which contributes to a wide range of employment growth rates across regions. The strongest employment gains in 2014 tended to be concentrated in the larger metro areas, with Los Angeles coming in slightly below average, on a percentage basis. San Jose, San Francisco, and San Diego all grew faster than the state and national averages, with the Inland Empire essentially tracking the average. High-tech employment continues to lead hiring across the state, with some of the largest gains predictably seen in the Bay Area."

Performance Highlights

Since the inception of operations in the fourth quarter of 2009, the company has raised member capital at a moderate, steady pace. Members' capital at March 31, 2015, was approximately $22,059,000, an increase of $5,733,000 since March 31, 2014 ($2,209,000 for 2014 to 2013). Our investment in mortgage loans is increasing steadily since commencement of operations. Mortgage loan balances grew to approximately $21,300,000 at March 31, 2015, an increase of $6,294,000 since March 31, 2014 ($1,791,000 for 2014 to 2013).

We have sought to exercise strong discipline in underwriting loan applications and lending against collateral at amounts that will create a mortgage portfolio that has substantial protective equity (i.e. safety margins to outstanding debt) as indicated by the overall conservative loan to value ratio (LTV) which at March 31, 2015 was 52%. Thus per the appraisal-based valuations at the time of loan inception, borrowers have in the aggregate, equity of 48% in the property, and we as lenders have lent in the aggregate, 52% (including other senior liens on the property) against the properties we hold as collateral for the repayment of our loans. See Note 4 (Loans) to the financial statements included in Part I, Item 1 of this report for a presentation regarding our portfolio's LTV at loan closing.

Net income for the three months ended March 31, 2015 increased by approximately $148,000 over the same period in 2014. Revenue from the collection of interest on loans, net for the three months ended March 31, 2015 increased by approximately $83,000 over the same period ended 2014, due to the growth of the secured loan portfolio. Operating expenses for the three months ended March 31, 2015 decreased by approximately $64,000 over the same period in 2014 due to changes in amounts charged by and reimbursements received from managers.

Key Performance Indicators

Key Performance Indicators are presented in the following table.

	For the three months ended March 31,		
	2015	2014	2013
Secured loans – end of period balance	$ 21,300,226	$ 15,005,845	$ 13,215,350
Secured loans – average daily balance	19,965,000	15,192,000	12,259,000
Members' capital, gross – end of period balance	$ 24,525,148	$ 18,144,032	$ 15,750,144
Members' capital, gross – average balance	23,123,000	17,753,000	15,492,000
Interest on loans, gross	$ 430,159	$ 346,686	$ 289,136
Portfolio average interest rate(1)	8.66%	9.28%	9.49%
Effective average yield rate(2)	8.62	9.13	9.43
Percent of average members capital(4)(5)	7.37	7.73	7.39
Amortization of loan administration fees	$ 31,691	$ 31,509	$ 27,840
Percent of average daily balance(3)	0.63%	0.83%	0.91%
Percent of average members capital(4)(5)	0.54	0.70	0.71
Interest on loans, net	$ 398,467	$ 315,177	$ 261,296
Percent of average daily balance(3)	7.98%	8.30%	8.53%
Percent of average members capital(4)(5)	6.82	7.03	6.68
Provision for loan losses	$ —	$ —	$ —
Percent of average daily balance(3)	—%	—%	—%
Total operating expenses	$ 50,715	$ 114,598	$ 40,454
Percent of average daily balance(3)	1.02%	3.02%	1.32%
Percent of average members capital(4)(5)	0.87%	2.56%	1.03%
Net Income	$ 350,062	$ 201,846	$ 223,791
Percent of average daily balance(3)	7.01%	5.31%	7.30%
Percent of average members capital(4)(5)	6.00%	4.50%	5.72%
Member Distributions	$ 387,250	$ 297,916	$ 257,733
Percent of average daily balance(3)	7.76%	7.84%	8.41%
Percent(6)	6.50%	6.50%	6.50%
Member Redemptions	$ 153,474	$ —	$ 15,000

(1) Weighted daily average of loans stated note interest rate and principal balance for the entire loan portfolio.
(2) Annualized yield rate of interest on loans, gross and daily average secured loan balance.
(3) Percent of secured loans – average daily balance, annualized
(4) Percent of members' capital, gross – average balance, annualized
(5) Percent based on the net income available to members (excluding 1% of profits and losses allocated to managers)
(6) Percent credited to and distributed from members' capital accounts on members' statements

-Loans – end-of-period balance

The March 31, end of period secured loan balance for 2015 of $21,300,226 was an increase of approximately 42% ($6.3 million) over 2014's $15,005,845, which was up approximately 14% ($1.8 million) from 2013's $13,215,350. The increases in the balance of the secured loan portfolio are due to increased members' capital available for lending and increased investment in California real estate markets, which expands the market for new loans. Secured loans as a percent of members' capital (based on average daily balances) were 86%, 86%, and 79% at March 31, 2015, 2014, and 2013, respectively.

The average yield rate of the portfolio decreased 0.5% for March 31, 2015 compared to March 31, 2014 (decreased 0.3% for March 31, 2014 to March 31, 2013) as the company funded longer term, lower interest rate loans. The longer term and lower interest rates resulted from exiting a program in which RMC arranged for the purchase of loans from an unaffiliated lender who was the servicer of the loans. These loans generally were secured by first deeds of trust on single-family real property located in California, were short term (5-11 months) and carried a note rate of 9% to 11%.

-Members' capital, gross – end of period balance

The end of period gross members' capital balance at March 31, 2015 was $24,525,148, up 35% ($6.4 million) from 2014's $18,144,032, which was up 15% ($2.4 million) from 2013's $15,750,144.

Analysis and discussion of income/(loss) from operations

Significant changes to income or expense areas for the three month period ended March 31, 2015 compared to the same period in 2014 are summarized in the following table.

	Interest Income Loans	Provision/ allowance for loan losses	Other Income	Operating Expenses	Net Income
For the three months ended March 31,					
2015	$ 398,467	$ —	$ 2,310	$ 50,715	$ 350,062
2014	315,177	—	1,268	114,599	201,846
Change	83,290	—	1,042	(63,884)	148,216
Change					
Loan Balance Increase	161,012	—	—	3,147	157,865
Loan Portfolio Effective Yield Rate	(77,722)	—	—	—	(77,722)
Late Fees	—	—	1,042	—	1,042
Asset Management Fee Rate	—	—	—	—	—
Manager Expense Reimbursements	—	—	—	(65,386)	65,386
Other		—	—	(1,645)	1,645
Change	$ 83,290	$ —	$ 1,042	$ (63,884)	$ 148,216

Interest on loans, net increased $83,000 (26%) and Net Income increased $148,000 (73%). Operating expenses as a percent of interest on loans, net was 13%, 36% and 15% for the three months ended March 31, 2015, 2014, and 2013, respectively. As loan balances continue to increase, operating expenses as a percent of interest on loans, net will likewise decline (even with reduced levels of expense support from RMC).

Revenue – Interest on loans

Interest on loans increased due to growth of the secured loan portfolio and secured loan portfolio's strong payment history to date, which has resulted in no loans being designated non-accrual. The Secured loans – average daily balance at March 31, 2015 increased approximately $4,773,000, or approximately 31% over the average daily balance at March 31, 2014.

Provision for loan losses/allowance for loan losses

At March 31, 2015 and 2014, the company had not recorded an allowance for loan losses as no loans were designated as impaired, and all loans had protective equity such that at March 31, 2015 and 2014, collection was deemed probable for amounts owing.

Other income

Other income increased $1,042 for the three months ended March 31, 2015 over the same period in 2014.

Operating Expenses

Operating expenses as a percent of "Total revenues, net" for March 31, 2015, and 2014 were 13% and 36%, respectively.

Significant changes to operating expense areas for the three month period ended March 31, 2015 compared to the same period in 2014 are summarized in the following table.

	Mortgage Servicing Fees	Asset Management Fees	Costs Through RMC	Professional Services	Other	Total
For the three months ended March 31,						
2015	$ 12,160	$ —	$ 36,286	$ 643	$ 1,626	$ 50,715
2014	9,013	—	41,582	60,733	3,271	114,599
Change	3,147	—	(5,296)	(60,090)	(1,645)	(63,884)
Change						
Loan Balance Increase	3,147	—	—	—	—	3,147
Manager Expense Allocations	—	—	(5,296)	—	—	(5,296)
Manager Expense Reimbursements	—	—	—	(33,531)	—	(33,531)
Expense Recognition Timing	—	—	—	(20,000)	—	(20,000)
Other	—	—	—	(6,559)	(1,645)	(8,204)
Change	$ 3,147	$ —	$ (5,296)	$ (60,090)	$ (1,645)	$ (63,884)

– Mortgage servicing fees

The increase in mortgage servicing fees of $3,147 is consistent with the increases in the average daily secured loan portfolio of $4,773,000, noted above in Revenue – Interest on loans, at the annual rate of 0.25%.

– Asset management fees

RMC at its sole discretion, waived asset management fees for the three months ended March 31, 2015 and 2014, of $44,149 and $34,263, respectively. There is no assurance RMC will waive its right to receive such fees in future periods.

– Costs through RMC

The decrease in costs reimbursed to RMC of $5,296 was primarily due to a revision in the managers expense allocation of qualifying charges (includes but is not limited to, salaries, compensation, travel expenses, fringe benefits, rent, insurance, depreciation and outside services), done in accordance with the operating agreement.

– Professional services

Professional fees consists primarily of legal, audit, and tax expenses. The decrease in professional services for the three months ended March 31, 2015, was due primarily to expense reimbursements by RMC, at their sole discretion, of $33,531. No reimbursements for professional fees were provided during the same period in 2014. In addition, overall Audit & Tax fees decreased due to differences in the period service expenses were recognized, and overall cost reductions due to increased efficiency in the reporting process.

Liquidity and Capital Resources

The company relies upon sales of units, loan payoffs, borrowers' monthly principal and interest payments, and, to a lesser degree and, if obtained, a line of credit for the source of funds for loans. We expect cash generated from borrower payments of principal and interest as well as loan payoffs will exceed operating expenses, earnings distributed to members and unit redemptions. Excess cash flow, if any, will be invested in new loan opportunities.

Generally, within a broad range, the company's rates on mortgage loans is not affected by market movements in interest rates. If, as expected, we make primarily fixed rate loans, and interest rates were to rise, a possible result would be a slower prepayment rate for the company's loans. This increase in the duration of the time loans are on the books may reduce overall liquidity, which itself may reduce the company's investment into loans at higher interest rates. Conversely, if interest rates were to decline, we could see a significant increase in borrower prepayments. If we then obtain new loans at lower rates of interest it would possibly result in lower yield to members.

The company's loans generally have shorter maturity terms than typical mortgages. As a result, constraints on the ability of our borrowers to refinance their loans at maturity possibly would have a negative impact on their ability to repay their loans. In the event a borrower is unable to repay at maturity, the company may consider extending the term through a loan modification or foreclosing on the property. As a reduction in loan repayments would reduce the company's cash flows and restrict the company's ability to invest in new loans and/or, if ongoing for an extended period, provide earnings distributions and redemptions of members' capital.

The company will experience a relative increase in liquidity if and when additional subscriptions for units are received and a relative decrease in liquidity as net offering proceeds are expended in connection with the funding and acquisition of loans and the payment or reimbursement of organization and offering expenses.

Contractual Obligations

At March 31, 2015 the company had no contractual obligations, except to reimburse RMC for syndication costs. As of March 31, 2015, approximately $2,098,000 was to be reimbursed to RMC contingent upon future sales of member units. See Note 3 (Managers and Other Related Parties-Syndication Costs) and Note 5 (Commitments and Contingencies, Other Than Loan Commitments and Syndication Costs) to the financial statements included in Part I, Item 1 of this report.

Cash Receipts and Disbursements

Cash receipts and disbursements by business activity are presented in the following table.

	For the three months ended March 31, 2015	2014
Members' capital		
Receipts - Contributions	$ 2,183,809	$ 943,021
Disbursement		
Distributions, net	(332,912)	(138,511)
Syndication costs, net	(124,679)	(32,429)
Formation loan, net	(144,195)	(65,961)
	(601,786)	(236,901)
Cash – Members' capital, net	1,582,023	706,120
Loan principal/advances/interest		
Receipts		
Principal & advances collected	1,545,434	2,965,335
Interest received, net	373,152	310,347
Other loan income	2,310	1,268
	1,920,896	3,276,950
Disbursements		
Loan funding	(3,660,000)	(3,272,750)
Advances made	(154)	—
	(3,660,154)	(3,272,750)
Cash – loans, net	(1,739,258)	4,200
Operating expenses	27,093	(63,194)
Net change in cash	$ (130,142)	$ 647,126

Distribution reinvestment plan

We have adopted a distribution reinvestment plan pursuant to which members may elect to have a portion or all of the full amount of their distributions from us reinvested in additional units. Earnings allocable to members who participate in the distribution reinvestment plan will be retained by the company for making further loans or for other proper company purposes.

We allow members to redeem their units subject to certain limitations and penalties. Once a member's initial five-year holding period has passed, the managers expect to see an increase in redemptions due to the ability of members to redeem units without penalty.

The company allocates its profits, after syndication costs, to member distributions. The table below shows distributions reinvested by members under the distribution reinvestment plan, cash distributions to members, the total distributions to members, and the percent of members' capital electing cash distribution for the three months ended March 31.

	2015	2014
Reinvesting	$ 218,749	$ 159,405
Distributing	168,501	138,511
Total	$ 387,250	$ 297,916
Percent of members' capital, electing distribution	44%	46%

Net Income/Member Distributions

The company's distributed annualized yield was 6.50% for the three months ended March 31, 2015 and 2014. The company's cash distributions for members (excluding redemptions) during the three months ended March 31, 2015 and 2014 were $387,250 and $297,916, respectively. To determine the amount of cash to be distributed in any specific month, the company relies in part on its annual forecast of profits, which takes into account the difference between the forecasted and actual results in the prior year and the requirement to maintain a cash reserve.

In calendar quarters in which we did not generate cash flow from operating activities sufficient to fully fund distributions, distributions in excess of our cash flow from operating activities were funded from cash on hand, which includes proceeds from offerings and loan payments from borrowers.

Net income recorded for the three months ended March 31, 2015 and 2014 for members was $346,561 and $199,828, respectively. The difference between net income and cash distributions was due to the managers' projections of net income using several variables which included but were not limited to an average rate of return for the loan portfolio, turnover rate of the loan portfolio, and the availability of quality loans for investment. Provided the company becomes and remains fully invested in quality mortgage loans, this difference should diminish until eliminated.

Unit redemption program

Members have no right to withdraw from the company or to obtain the return of their capital account for at least one year from the date of purchase of units, with the limited exception in the event of a death of a member. In order to provide our members with a certain degree of liquidity, we have adopted a unit redemption program. Generally, one year after purchasing your units, a member may redeem all or part of its units, subject to certain significant restrictions and limitations. At that time, we may, subject to the significant restrictions and limitations described below, redeem the units presented for redemption to the extent that we have sufficient cash flow available to us to fund such redemption. The price paid for redeemed units will be based on the lesser of the purchase price paid by the redeeming member or the member's capital account balance as of the date of each redemption payment. For redemptions beginning after one year (but before two years), the redemptions will be calculated as 92% of purchase price or 92% of the capital account balance, whichever is less. Beginning after each of the subsequent years, the redemption percentages will increase to 94%, 96%, 98% and 100%, respectively, of the purchase price or capital account balance, whichever is less. Notwithstanding the foregoing, with respect to any redemption, the number of units that may be redeemed per quarter per individual member will be subject to a maximum of the greater of 100,000 units or 25% of the member's units outstanding. For redemption requests requiring more than one quarter to fully redeem, the percentage discount amount that applies when the redemption payments begin will continue to apply throughout the entire redemption period and will apply to all units covered by such redemption request regardless of when the final redemption payment is made. Under our unit redemption program, in the event of an investor's death, his or her heirs are provided with an option to redeem all or a portion of the investor's units without penalty, regardless of the time elapsed since the date of purchase.

The table below sets forth the company's capital redemptions for the three months ended March 31.

	2015	2014
Capital redemptions-without penalty	$ 130,418	$ —
Capital redemptions-subject to penalty	23,056	—
Total	$ 153,474	$ —

While the managers have set an estimated value for the units, such determination may not be representative of the ultimate price realized by a member for such units upon sale. No public trading market exists for the units and none is likely to develop. Thus, there is no certainty the units can be sold, outside the unit redemption program, at a price equal to the stated value of the capital account.

Net cash provided by (used in) operating activities, net income, and distributions to members, from inception to March 31, 2015, are summarized in the following table:

Quarters ending by Year	Net Cash Provided by (Used In) Operating Activities	Net Income	Distributions To Members	Distributions To Managers	Percent of Distributions Paid From Net Cash Provided by (Used In) Operating Activities	Percent of Net Income Covering Total Distributions
2009-2011	$ 603,570	$ 697,691	$ 818,679	$ 1,797	74%	85%
2012						
Mar. 31	170,559	159,935	191,236	—	89	84
Jun. 30	114,514	103,257	205,097	5,180	56	50
Sep. 30	92,938	139,090	219,263	—	42	63
Dec. 31	190,706	224,335	239,204	—	80	94
	568,717	626,617	854,800	5,180	67	73
2013						
Mar. 31	198,925	223,791	257,733	—	77	87
Jun. 30	224,856	189,221	265,554	—	85	71
Sep. 30	182,068	186,731	270,505	6,266	67	69
Dec. 31	200,802	284,880	282,603	—	71	101
	806,651	884,623	1,076,395	6,266	75	82
2014						
Mar. 31	248,421	201,846	297,916	—	83	68
Jun. 30	182,097	261,947	314,533	—	58	83
Sep. 30	270,702	266,851	337,647	8,846	80	79
Dec. 31	284,498	363,079	361,622	—	79	100
	985,718	1,093,723	1,311,718	8,846	75	83
2015						
Mar. 31	402,555	350,062	387,250	—	104	90
Program to date	$ 3,367,211	$ 3,652,716	$ 4,448,842	$ 22,089	76%	82%

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not included because the company is a smaller reporting company.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The company carried out an evaluation, under the supervision and with the participation of the managers of the effectiveness of the design and operation of the company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, the managers concluded the company's disclosure controls and procedures were effective.

Changes to Internal Control Over Financial Reporting

There have not been any changes in the manager's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, the manager's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. **Legal Proceedings**

In the normal course of business, the company may become involved in various legal proceedings such as assignment of rents, bankruptcy proceedings, appointment of receivers, unlawful detainers, judicial foreclosure, etc., to enforce the provisions of the deeds of trust, collect the debt owed under the promissory notes, or to protect, or recoup its investment from the real property secured by the deeds of trust and to resolve disputes between borrowers, lenders, lien holders and mechanics. None of these actions typically would be of any material importance. As of March 31, 2015, the company is not involved in any legal proceedings other than those that would be considered part of the normal course of business.

ITEM 1A. **Risk Factors**

There have been no material changes to the risk factors set forth in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2014.

ITEM 2. **Unregistered Sales of Equity Securities and Use of Proceeds**

Use of Proceeds from Registered Securities

On November 18, 2008 and June 7, 2012, the company filed Registration Statements on Form S-11 with the Securities and Exchange Commission (SEC File Nos. 333-155428 and 333-181953) to offer up to 150,000,000 units ($150,000,000) of its membership interests to the public in its primary offering and 37,500,000 units ($37,500,000) to its members pursuant to its distribution reinvestment plan. The 2012 filing was required under applicable SEC rules to enable us to continue to sell units in the offering. The offering is ongoing and will terminate on December 4, 2015, unless prior to such date, we file a new registration statement in which event the offering will continue until the earlier of the effective date of the new registration statement or 180 days after December 4, 2015 (which is June 1, 2016). If a new registration statement is declared effective, the offering will thereafter continue pursuant to such new registration statement.

As of March 31, 2015, we had sold 26,203,363 units in the offering, for gross offering proceeds of $26,203,363 (including units issued under our distribution reinvestment plan). The outstanding units are held by approximately 530 members.

From the total subscription proceeds of $24,613,235, syndication costs (the organizational and offering costs, other than certain sales commissions, including legal and accounting expenses, printing costs, selling expenses, and filing fees) of approximately $1,078,000 have been billed to date. Syndication costs are charged against members' capital, and will be allocated to individual members consistent with the company's operating agreement.

Sales commissions are not paid directly by the company out of offering proceeds. Instead, the company loans to RMC amounts to pay all sales commissions and amounts payable in connection with unsolicited orders. This loan is unsecured, and non-interest bearing and is referred to as the "formation loan." As of March 31, 2015 the company had made formation loans of $1,730,976, of which $1,399,535 remain to be collected. The formation loan has been deducted from members' capital on the balance sheet. As amounts are received from RMC as payments on the loan, the deduction from capital will be reduced.

Recent Sales of Unregistered Securities

There were no sales of securities by the company within the past three years which were not registered under the Securities Act of 1933.

ITEM 3. **Defaults Upon Senior Securities**

Not Applicable.

ITEM 4. **Mine Safety Disclosures**

Not Applicable.

ITEM 5. **Other Information**

None.

ITEM 6. **Exhibits**

31.1	Certification of Manager pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Manager pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Manager pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Manager pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

REDWOOD MORTGAGE INVESTORS IX, LLC
(Registrant)

Date: May 15, 2015

By: **Redwood Mortgage Corp., Manager**

By:	/s/ Michael R. Burwell
Name:	Michael R. Burwell
Title:	President, Secretary and Treasurer (On behalf of the registrant, and in the capacity of principal financial officer)

Date: May 15, 2015

By: **Gymno LLC, Manager**

By:	/s/ Michael R. Burwell
Name:	Michael R. Burwell
Title:	Manager

Exhibit 31.1

PRESIDENT'S CERTIFICATION

I, Michael R. Burwell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Redwood Mortgage Investors IX, LLC, a Delaware Limited Liability Company (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15-d-15(f)) for the Registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Michael R. Burwell

____

Michael R. Burwell, President,
(principal executive officer and principal financial officer)
Redwood Mortgage Corp.,
Manager
May 15, 2015

Exhibit 31.2

PRESIDENT AND CHIEF FINANCIAL OFFICER CERTIFICATION

I, Michael R. Burwell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Redwood Mortgage Investors IX, LLC, a Delaware Limited Liability Company (the “Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15-d-15(f)) for the Registrant and have:

    (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

    (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

    (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

/s/ Michael R. Burwell

Michael R. Burwell,
Manager of Gymno LLC,
Manager
May 15, 2015

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Redwood Mortgage Investors IX, LLC (the “company”) on Form 10-Q for the period ended March 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), pursuant to 18 U.S.C. (S) 1350, as adopted pursuant to (S) 906 of the Sarbanes-Oxley Act of 2002, I, Michael R. Burwell, certify that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the company at the dates and for the periods indicated.

A signed original of this written statement required by Section 906 has been provided to Redwood Mortgage Investors IX, LLC and will be retained by Redwood Mortgage Investors IX, LLC and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Michael R. Burwell
____
Michael R. Burwell, President,
(principal executive officer and principal financial officer)
Redwood Mortgage Corp.,
Manager
May 15, 2015

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Redwood Mortgage Investors IX, LLC (the “company”) on Form 10-Q for the period ended March 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), pursuant to 18 U.S.C. (S) 1350, as adopted pursuant to (S) 906 of the Sarbanes-Oxley Act of 2002, I, Michael R. Burwell, certify that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the company at the dates and for the periods indicated.

A signed original of this written statement required by Section 906 has been provided to Redwood Mortgage Investors IX, LLC and will be retained by Redwood Mortgage Investors IX, LLC and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Michael R. Burwell

Michael R. Burwell,
Manager of Gymno LLC,
Manager
May 15, 2015