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

TO: NPG Investment Group, Inc.
NPG LLC
2261 Morello Avenue, Suite A
Pleasant Hill, California 94523

John Taylor
John Taylor, doing business as Bluestar Financing and Bluestar Finance
56 Santa Ana Drive
Pleasanton Hill, California 94523

DESIST AND REFRAIN ORDER

(For violations of sections 25110 and 25401 of the California Corporations Code)

The California Corporations Commissioner finds that:

1. John Taylor (“Taylor”) is an individual who resides in Pleasant Hill, California. During all relevant times Taylor was a California licensed real estate broker and designated as the officer broker of Norcal Capital Management, Inc. (California Secretary of State file number C3199007) and Bluestar Investment Group, Inc. (California Secretary of State file number C2957653). He is also a managing member of Norcal Properties Group, LLC (“NPG”) (California Secretary of State file number 200724910007.) Taylor used other business names including, but not limited to, NPG Investment Group, Inc. and NPG LLC. However, neither NPG Investment Group, Inc. nor NPG LLC is authorized to do business in California as a corporation or limited liability company. Additionally, Taylor used fictitious business names including, but not limited to, Bluestar Financing and Bluestar Finance. These business names that Taylor used were not licensed and not registered with the Department of Real Estate (“DRE”) under Taylor’s corporate license as legally required. Taylor conducted business under several fictitious business names that functioned as his alter egos.

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1 2. Taylor sought investment funds from the public by means of advertising, seminars and
2 primarily for the operation and conduct of his mortgage loan brokerage business wherein he solicited
3 lenders and borrowers for loans secured directly or collaterally by liens on real property wherein
4 such loans were arranged, negotiated, processed, and consummated by Taylor on behalf of others for
5 compensation. Taylor also offered his services to help investors evaluate their investment needs and
6 achieve their goals.

7 3. Taylor also sought investment funds for “project funding” for NPG LLC. Taylor
8 represented that NPG LLC’s investments were as secure as buying a CD in a major world bank,
9 “fully protected” and that investors could double their investment within 30 days and the investment
10 funds would thereafter be returned.

11 4. The investments offered by Taylor included interests in limited partnerships, limited
12 liability companies or partnerships and mortgage funds that manage first and second trust deeds on
13 residential and income-producing properties and “project funding” wherein the investor was passive
14 and Taylor, his associates or affiliates controlled and managed the investments for investors.

15 5. Taylor’s clients were trusting and unsophisticated individuals with minimal or no
16 investment experience.

17 6. After Taylor acquired funds from investors they had difficulty obtaining a return on their
18 investment in the form of interest payments or their principal. Taylor ceased making payments and
19 offered a variety of excuses or avoided contact with investors.

20 7. Taylor’s offer and sale of investment contracts for interests in limited partnerships,
21 limited liability companies or partnerships and mortgage funds and project funding constitute
22 securities. These securities were required to be but were not qualified under the Corporate
23 Securities Law.

24 8. Taylor did not disclose to investors that DRE was auditing his business and had found
25 instances of undisclosed self dealings, failure to prepare and deliver disclosure statements to
26 investors, failure to timely file Trust Account Review Reports, failure to disclose his status as a
27 borrower to DRE, failure to obtain loan servicing agreements and a signed statement regarding the
28 qualification of income or net worth.

