

1 Etches has allegedly conducted business under various business names, including IBG Mutual, IBG,
2 and USDB. Further, Etches has allegedly utilized various aliases in conducting business, including
3 but not limited to, David Thompson, Bob Cox a.k.a Bob Scott, and Terrens Carmichael, Tony
4 Carmichael, and Terry Carmichael.

5 5. David Thompson (hereinafter “Thompson”) is an individual whose true identity or
6 address is unknown. Thompson is allegedly a fictitious name used by Etches and/ or individuals
7 affiliated to him. Thompson represented and held himself out to investors as “Senior Financial
8 Adviser for IBG.”

9 6. Terrens Carmichael a.k.a Tony Carmichael, a.k.a Terry Carmichael (Carmichael) is an
10 individual whose true identity or address is unknown. Carmichael is allegedly a fictitious name used
11 by Etches and/or individuals affiliated to him. Carmichael represented and held himself out to
12 potential investors as “Director of Financial Banking” and “certified consultant” with IBG.

13 7. Bob Cox a.k.a Bob Scott (hereinafter “Scott”) is an individual whose true identity or
14 address is unknown. Scott is allegedly a fictitious name used by Etches and/or individuals affiliated
15 to him. Scott’s title or position with IBG is unknown.

16 8. Roger Vanzant (hereinafter “Vanzant”) is an individual whose address is unknown.
17 Vanzant represented and held himself out to investors as a “Deposit Broker for IBG.”

18 9. Sally Cruthers (hereinafter “Cruthers”) is an individual whose address is unknown.
19 Cruthers represented and held herself out to investors as “Director of Investor Relations” for IBG.

20 10. Beginning in or around July 2009 and continuing thereafter, IBG Mutual, IBG, USDB,
21 Etches, Vanzant, Thompson, Scott, Carmichael, and Cruthers unlawfully offered and sold securities
22 in the form of investment contracts, including certificates of deposits and real estate investments to
23 California residents for amounts ranging from \$1,000.00 to \$750,000.00, raising over \$8 million
24 dollars.

25 11. IBG solicited potential investors from telemarketing call-centers that were organized
26 and staffed by IBG located in and around Manila, Philippines. After cold-calling investors, IBG
27 would mail offering materials to potential investors and thereafter, follow up with phone calls that
28

1 were placed from the Philippines. IBG used various aliases when speaking with investors to disguise
2 their true identities.

3 12. If a potential investor showed any interest in IBG's offering during the cold call, IBG
4 would mail offering materials directly to the potential investors. These offering materials stated,
5 among other things, that IBG: "managed billions of dollars in investor assets;-headquartered in Los
6 Angeles," and employed "more than 163,000 talented men and women across the globe." The
7 documents also stated that "... all issuing institutions used by IBG are insured by the Federal Deposit
8 Insurance Corporation, up to \$250,000."

9 13. Investors were promised 4.5% - and 6.5% returns on their investments. IBG also
10 claimed that the investment contracts in the form of certificates of deposits were issued by major U.S.
11 and international banks.

12 14. After an investor purchased an investment contract, IBG would then send monthly
13 statements that purportedly showed their principal investment, accrued interest, and full balance upon
14 maturity of the investment.

15 15. In addition to cold-calling and mailing offering materials to investors, IBG offered
16 securities in the form of investment contracts, specifically, certificates of deposits, to investors
17 through an Internet website located at, www.ibgmual.com. This website claimed that IBG "is one
18 of the largest institutions in the world, both in terms of assets under management (USD 3.36 billion
19 as of December 2008) as well as assets under custody (USD 2.56 billion as of December 2008)."
20 IBG's website further claimed that its subsidiary company, IBG Private Banking:

21 is the private wealth management arm of the International Banking
22 Group...with experience spanning more than thirty years...." and "...with
23 offices in 7 countries and a strong presence in the United States, Europe and
24 Asia, we rank among the market leaders in Hong Kong, as well as enjoy a
dominant presence in the United Kingdom, Ireland, Switzerland, Canada and
India...."

1 16. The purported purpose of the offers and sales of the securities in the form of
2 investment contracts was to raise funds that would be used by IBG to purchase interest bearing
3 certificates of deposits or to make investments in real estate.

4 17. In connection with the offer and sale of the investment contracts, IBG, IBG Mutual,
5 USDB, Etches, Vanzant, Thompson, Scott, Carmichael, and Cruthers made, or caused to be made,
6 misrepresentations of material facts or omitted to state material facts necessary in order to make the
7 statements made, in the light of the circumstances under which they were made, not misleading.

8 These misrepresentations and omissions included, but are not limited to the following:

- 9 a. representing to investors that the investment contracts being offered for sale were
10 issued by banks;
- 11 b. guaranteeing 4.5%-6.5% rate of return on investments and return of principal with
12 interest at the maturity of their investments;
- 13 c. representing that investors' funds would be used to purchase high yield certificates of
14 deposits that purportedly earned above average interest rates and backed by
15 international financial institutions and insured by the FDIC up to \$250,000.00 when in
16 reality, investors' funds were not used for the stated purpose;
- 17 d. sending investors account statements which showed investors owned investments that
18 were increasing in value, when in fact, no such increase in value occurred;

19 Based on the foregoing findings, the Commissioner of Business Oversight is of the opinion
20 that the securities in the form of investment contracts are securities subject to qualification under the
21 California Corporate Securities Law of 1968 and are being or have been offered or sold without being
22 qualified, in violation of Section 25110 of the Corporate Securities Law of 1968.

23 Pursuant to Section 25532 of the Corporate Securities Law of 1968, International Banking
24 Group; U.S. Deposit Brokers Group a.k.a USDB; Austin Etches; Roger Vanzant; David Thompson;
25 Bob Cox a.k.a Bob Scott; Terrens T. Carmichael a.k.a Tony Carmichael a.k.a Terry Carmichael;
26 Sally Cruthers; and IBG Mutual Holdings, LLC are hereby ordered to desist and refrain from the
27 further offer or sale in the State of California of securities, including, but not limited to investment
28 contracts unless and until qualification has been made under said law or unless exempt. The sale of

1 such securities is subject to qualification under said law and such securities are being or have been
2 offered for sale without first being so qualified.

3 Further, the Commissioner of Business Oversight is of the opinion that the securities offered
4 and sold by IBG were offered and sold in this state by means of written or oral communications that
5 included untrue statements of material fact or omitted to state material facts necessary in order to
6 make the statements made, in the light of the circumstances under which they were made, not
7 misleading, in violation of section 25401 of the Corporate Securities Law of 1968.

8 Pursuant to Section 25532 of the Corporate Securities Law of 1968, International Banking
9 Group; U.S. Deposit Brokers Group a.k.a USDB; Austin Etches; Roger Vanzant; David Thompson,
10 Bob Cox a.k.a Bob Scott; Terrens T. Carmichael a.k.a Tony Carmichael a.k.a Terry Carmichael;
11 Sally Cruthers; and IBG Mutual Holdings, LLC are hereby ordered to desist and refrain from offering
12 or selling or buying or offering to buy any security in the State of California, including, but not
13 limited to, certificates-of-deposits by means of any written or oral communication which includes an
14 untrue statement of a material fact or omits to state a material fact necessary in order to make the
15 statements made, in the light of the circumstances under which they were made, not misleading.

16 This Order is necessary, in the public interest, for the protection of investors and consistent
17 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

18 Dated: May 28, 2015
19 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

21
22 By _____
23 MARY ANN SMITH
24 Deputy Commissioner
25 Enforcement Division
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