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

TO: John T. Baxter
6280 W. 3rd Street, #411
Los Angeles, CA 90036

322-C Country Club Place
Simi Valley, CA 93065

101 West End Avenue, #11S
New York, New York 10023

DESIST AND REFRAIN ORDER
(For violation of section 25210 of the Corporations Code)

The California Corporations Commissioner (“Commissioner”) finds that:

1. In or about December 2008, Robert Villegas (“Villegas”) and Dave Dallons advised a consumer to purchase a bond. The purchase of the bond (CUSIP #38375X8K3) by Villegas was arranged and negotiated by John T. Baxter. At no time was John T. Baxter licensed in California as a securities broker-dealer during this transaction.
2. John T. Baxter represented himself to Villegas to be a broker-dealer who completed the trade of the bond, and provided Villegas with an invoice, a trade ticket, and a Ginnie Mae prospectus for the bond. In addition, John T. Baxter represented to Villegas that the bond was a high reward and low risk scenario, and that Villegas would receive a high yield and asset appreciation when the bond was sold. John T. Baxter further stated that the “Royal Bank of Canada who clears all of Andrew Garrett’s trades always tries to steal my trades in one way or another by trying to offer other bonds...they couldn’t find deals like this with two hands and a flashlight.”
3. With the purchase of the bond by Villegas, John T. Baxter requested and received compensation in the form of commission payments. The commission fee was 10% of the total

1 amount invested plus 5% every month to assure completion of the project from purchase of the bond
2 to the time of its sale. At least \$16,893.45 was paid to John T. Baxter as commissions from January
3 2009 through November 2009.

4 4. Villegas also represented to the consumer that the bond was purchased and maintained
5 through its broker, John T. Baxter. A copy of a letter dated January 2009 showing John T. Baxter as
6 the investment broker was provided to the consumer at the time of purchase.

7 5. In or about May 2010, the consumer contacted John T. Baxter and learned that the bond had
8 been liquidated by Villegas. John T. Baxter assisted Villegas in liquidating the bond by relaying
9 information for this purpose.

10 6. In response to a subpoena dated December 7, 2011 and issued by the Department of
11 Corporations, John T. Baxter misrepresented that he did not have any records of any transactions
12 involving Villegas and that he has never received monies to invest on behalf of a person or
13 corporation.

14 7. On July 12, 2010, the Financial Industry Regulatory Authority (FINRA) fined John T. Baxter
15 five thousand dollars (\$5,000) and suspended him from association with any FINRA member for one
16 year commencing July 19, 2010 and ending July 18, 2011. The suspension was prompted by FINRA
17 allegations that John T. Baxter, in communications with public customers, misrepresented that he had
18 series 7, 22, 63 and 66 securities licenses when, in fact, he never held those licenses.

19 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
20 that John T. Baxter conducted business as a broker-dealer in California without having first applied
21 for and secured a certificate, then in effect, from the Commissioner in violation of Corporations Code
22 section 25210.

23 Pursuant to Corporations Code section 25532, John T. Baxter is hereby ordered to desist and
24 refrain from conducting business as a broker-dealer in the State of California, unless and until granted
25 a certificate by the California Corporations Commissioner under the Corporate Securities Law or
26 unless exempt.
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1 This order is necessary, in the public interest, for the protection of investors and consistent
2 with the purposes, policies and provisions of the Corporate Securities law of 1968.

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4 Dated: June 6, 2012
5 Los Angeles, CA

JAN LYNN OWEN
California Corporations Commissioner

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7 By _____
8 ALAN S. WEINGER
9 Deputy Commissioner
10 Enforcement Division
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