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STATE OF CALIFORNIA
BUSINESS TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: William Benson Peavey, Jr.
James Wilkes Milnes
J.B. Land Development, LLC
Golden Pacific Real Estate
202 Alta Vista Drive
South San Francisco, CA 94080

DESIST AND REFRAIN ORDER

(For Violations of Sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, William Benson Peavey, Jr. (“Peavey”) was a principal of J.B. Land Development, LLC, (“JB Land”) and James Wilkes Milnes (“Milnes”) was a president of JB Land. Simultaneously, both Peavey and Milnes operated as “brokers” under the realtor Golden Pacific Real Estate, (“Golden Pacific”). Both JB Land and Golden Pacific operated out of 202 Alta Vista Drive, South San Francisco, CA 94080. In December of 2007, Milnes issued a newsletter for JB Land as president of that entity. JB Land (the acronym is derived from “James” and “Bill”) was registered with the California Secretary of State as a domestic LLC on September 16, 2005.

2. Peavey, Milnes, JB Land and Golden Pacific offered and sold securities in this state including promissory notes and investment contracts in the form of tenant in common interests in real property. These offers and sales to at least 8 investors totaled \$1,427,500 and took place between 2007 and 2009.

3. Investors were assured of returns ranging from 20% to 25% for investments that were to mature in periods ranging from 3 months up to one year. Purchase agreements were offered to investors that promised JB Land would buy back property in one year with a guaranteed return of principal and 25% interest. The contract stated that JB Land would exercise exclusive management and control of the property development and take all necessary steps to carry out the development

1 plan.

2 4. The promise and the personal guarantee of that promise by Peavey and Milnes to
3 repurchase land with a guaranteed return was false and known to Peavey and Milnes to be false at the
4 time it was made. The investment scheme outlined herein was offered and sold to at least 35
5 investors. In multiple transactions, the language of the purchase contracts issued by JB Land was
6 identical, except for the dollar amounts and the investor names. The fundamental premise of each
7 purchase agreement was the development of bare land. Not one identifiable structure was ever
8 completed. No funds were ever repaid to the investors, other than when Peavey made an interest
9 payment to encourage an investor to roll over the principal invested.

10 5. In the years between 2007 and 2009 with reference to all of the above-described
11 transactions, Peavey and Milnes failed to disclose to the investors the following material facts:

12 a. that Peavey had been suspended from the practice of law by the California State Bar by
13 order on August 20, 2003. Peavey had been found to have committed seven acts of misconduct
14 including failing to report a civil judgment for fraud to the State Bar and failing to avoid interests
15 adverse to a client, violating his fiduciary duty and committing acts of moral turpitude.

16 b. that Peavey had resigned from the California State Bar on June 9, 2006, with new charges
17 pending against him.

18 c. that in June of 2008 Peavey was indicted on three felony counts of wire fraud in US District
19 Court, and was arraigned on those charges in July of 2008.

20 d. that Peavey was sentenced to federal prison on May 15, 2009 and released from prison on
21 December 3, 2010; subject to three years of supervised release.

22 e. that on August 7, 2009 Peavey petitioned the Department of Real Estate (“DRE”) in Case
23 Number H-10729 SF to surrender his real estate broker’s license. On August 27, 2009 the
24 Department accepted Peavey’s surrender of his real estate license.

25 f. that by order of the Commissioner of the DRE on December 17, 2009, Peavey was barred
26 for three years from holding any position of employment, management, or control in a real estate
27 business.

28 6. The promissory notes and purchase agreements executed by Peavey and Milnes and on

1 behalf of JB Land and Golden Pacific were securities in the form of notes or investment contracts,
2 and were offered or sold in this state in issuer transactions. The California Corporations
3 Commissioner is of the opinion that the securities in JB Land and Golden Pacific offered and sold by
4 Peavey and Milnes are subject to qualification under the California Corporate Securities Law of 1968
5 and are being or have been offered or sold without being qualified in violation of Corporations Code
6 section 25110.

7 7. Further, the California Corporations Commissioner is of the opinion that the securities in
8 JB Land and Golden Pacific were offered or sold in this state by means of oral or written
9 communications which included an untrue statement of a material fact or omitted to state a material
10 fact necessary in order to make the statements made, in the light of the circumstances under which
11 they were made, not misleading, in violation of section 25401 of the Corporate Securities Law of
12 1968.

13 8. The Commissioner believes that at all relevant times, Peavey and Milnes directly and
14 indirectly knowingly controlled and induced each other or knowingly provided substantial assistance
15 to each other to violate the provisions of the Corporate Securities Law within the meaning of
16 Corporations Code section 25403.

17 Pursuant to section 25532 of the Corporate Securities Law of 1968, William Benson Peavey,
18 Jr., James Wilkes Milnes, J.B. Land Development, LLC and Golden Pacific Real Estate are hereby
19 ordered to desist and refrain from the further offer or sale in the State of California of securities,
20 including but not limited to investment contracts and promissory notes, unless and until said
21 securities have been qualified under the law, or are exempt.

22 Pursuant to section 25532 of the Corporate Securities Law of 1968, William Benson Peavey,
23 Jr., James Wilkes Milnes, J.B. Land Development, LLC and Golden Pacific Real Estate are hereby
24 ordered to desist and refrain from offering or selling any security in the State of California, including
25 but not limited to investment contracts and promissory notes, by means of any written or oral
26 communication which includes an untrue statement of a material fact or omits to state a material fact
27 necessary in order to make the statements made, in the light of the circumstances under which they
28 were made, not misleading.

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This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies and provisions of the Corporate Securities Law of 1968. This Order shall remain in full force and effect until further order of the California Corporations Commissioner.

Dated: May 23, 2012
Los Angeles, California

JAN LYNN OWEN
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division