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

**TO:** Jefferson Partners, Inc.  
James McGrew, President  
Janet Harriman  
42 Hillside Dr.  
Newport Beach, CA 92660

**DESIST AND REFRAIN ORDER**  
**(For violations of section 25110 and 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. At all relevant times, James McGrew (“McGrew”) was a natural person and a resident of California and was the President and control person of Jefferson Partners, Inc. McGrew’s business address is 42 Hillside Dr., Newport Beach, California, 92660.
2. At all relevant times, Janet Harriman (“Harriman”) was a natural person and a resident of California and an officer, director, or control person of Jefferson Partners, Inc. Harriman’s business address is 42 Hillside Dr., Newport Beach, California, 92660.
3. At all relevant times, Jefferson Partners, Inc. (“Jefferson”) was a California Corporation, incorporated on May 14, 2003: no. C2515382. Its principal place of business is 42 Hillside Dr., Newport Beach, California, 92660.
4. Beginning in or about May, 2008, McGrew, Harriman, and Jefferson offered and/or sold securities in the form of investment contracts and shares of stock in Jefferson.
5. The purported purpose of the sale of said securities was to invest the client’s funds in real estate development projects in Temecula, California.
6. These securities were offered and sold in this state in issuer transactions. The Department of Corporations has not issued a permit or other form of qualification authorizing any person to offer and sell these securities in this state.

1 7. McGrew, Harriman, and Jefferson offered and sold the investment contracts and shares of  
2 stock in Jefferson to residents of California who are not accredited investors and had no prior  
3 business or personal relationship with them.

4 8. In connection with these offers and sales, McGrew, Harriman, and Jefferson made the  
5 following material misrepresentations or omissions:

- 6 a. failed to disclose Harriman's prior felony convictions on 22 counts of financial fraud,  
7 resulting in a 20 year federal prison sentence and a \$16,000,000.00 fine.

8 9. Based upon the foregoing findings, the California Corporations Commissioner is of the  
9 opinion that the investment contracts and/or shares of stock in Jefferson Partners, Inc. offered and/or  
10 sold by McGrew, Harriman, and Jefferson Partners, Inc. are securities subject to qualification under  
11 the California Corporate Securities Law of 1968 and that these securities are being or have been  
12 offered or sold without being qualified in violation of Corporations Code section 25110.

13 12. Pursuant to section 25532 of the Corporate Securities Law of 1968, James McGrew, Janet  
14 Harriman, and Jefferson Partners, Inc., and any other entities owned, operated, or controlled by any  
15 of them, are hereby ordered to desist and refrain from the further offer or sale of securities in the  
16 State of California, including but not limited to, investment contracts and shares of stock, unless and  
17 until qualification has been made under the law or unless exempt.

18 14. Further, the California Corporations Commissioner is of the opinion that the securities in the  
19 form of investment contracts and shares of stock in Jefferson Partners, Inc. were offered or sold in  
20 this state by James McGrew, Janet Harriman, and Jefferson Partners, Inc. through means of written or  
21 oral communications which included untrue statements of material facts and/or omitted to state a  
22 material facts necessary in order to make the statements made, in the light of the circumstances under  
23 which they were made, not misleading, in violation of section 25401 of the Corporate Securities Law  
24 of 1968.

25 15. Pursuant to section 25532 of the Corporate Securities Law of 1968, James McGrew, Janet  
26 Harriman, and Jefferson Partners, Inc., and any other entities owned, operated, or controlled by either  
27 of them, are hereby ordered to desist and refrain from offering or selling or buying or offering to buy  
28 any security in the State of California, including but not limited to investment contracts and shares of

1 stock, by means of any written or oral communication which includes an untrue statement of a  
2 material fact or omits to state a material fact necessary in order to make the statements made, in the  
3 light of the circumstances under which they 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.

Dated: November 4, 2010  
Sacramento, California

Preston DuFauchard  
California Corporations Commissioner

By \_\_\_\_\_  
Alan S. Weinger  
Deputy Commissioner  
Enforcement Division