

1 STATE OF CALIFORNIA
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY
3 DEPARTMENT OF CORPORATIONS
4

5 TO: NPG Investment Group, Inc.
6 NPG LLC
7 2261 Morello Avenue, Suite A
8 Pleasant Hill, California 94523

9 John Taylor
10 John Taylor, doing business as Bluestar Financing and Bluestar Finance
11 56 Santa Ana Drive
12 Pleasanton Hill, California 94523

13 **DESIST AND REFRAIN ORDER**

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

15 The California Corporations Commissioner finds that:

16 1. John Taylor ("Taylor") is an individual who resides in Pleasant Hill, California. During
17 all relevant times Taylor was a California licensed real estate broker and designated as the officer
18 broker of Norcal Capital Management, Inc. (California Secretary of State file number C3199007)
19 and Bluestar Investment Group, Inc. (California Secretary of State file number C2957653). He is s
20 also a managing member of Norcal Properties Group, LLC ("NPG") (California Secretary of State
21 file number 200724910007.) Taylor used other business names including, but not limited to, NPG
22 Investment Group, Inc. and NPG LLC. However, neither NPG Investment Group, Inc. nor NPG
23 LLC is authorized to do business in California as a corporation or limited liability company.
24 Additionally, Taylor used fictitious business names including, but not limited to, Bluestar Financing
25 and Bluestar Finance. These business names that Taylor used were not licensed and not registered
26 with the Department of Real Estate ("DRE") under Taylor's corporate license as legally required.
27 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.

1 9. Taylor did not inform investors that the business entities he used either did not exist or
2 were not in good legal standing in California.

3 Based upon the foregoing findings, the California Corporations Commissioner is of the
4 opinion that the activities of NPG Investment Group, Inc., NPG LLC and John Taylor doing business
5 as Bluestar Financing and Bluestar Finance involve offers or sales of securities in California that are
6 subject to qualification under the Corporate Securities Law, without such offers or sales first being
7 qualified or exempt, in violation of Corporations Code section 25110.

8 The California Corporations Commissioner is also of the opinion that such offers and sales of
9 securities in this state were made by means of written or oral communications which included an
10 untrue statement of a material fact or omitted to state a material fact necessary in order to make the
11 statements made, in the light of the circumstances under which they were made, not misleading, in
12 violation of Corporations Code section 25401.

13 Pursuant to section 25532 of the Corporations Code, NPG Investment Group, Inc., NPG LLC
14 and John Taylor doing business as Bluestar Financing and Bluestar Finance are hereby ordered to:

15 1. Desist and refrain from the further offer or sale of securities including, but not limited to,
16 investment contracts interests in the form of interests in limited partnerships, limited liability
17 companies or partnerships and mortgage funds and project funding unless and until the offers and sales
18 have been duly qualified under the Corporate Securities Law or unless exempt; and

19 2. Desist and refrain from offering or selling or buying or offering to buy any security in the
20 State of California by means of any written or oral communication which includes an untrue statement
21 of a material fact or omits to state a material fact necessary in order to make the statements made, in
22 the light of the circumstances under which they were made, not misleading.

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

25 Dated: January 28, 2011
26 Los Angeles, California

27 PRESTON DuFAUCHARD
California Corporations Commissioner

28 By _____
ALAN S. WEINGER, Deputy Commissioner
Enforcement Division