

November 15, 2022

Regarding: John "The Con" Edward Yarborough of
Pacific Capital Group, LLC (PCG)
(Shell Company Used to facilitate financial crimes)

To The Federal Bureau of Investigation -

Thank you for taking the time to discuss our case. We look forward to working with your investigative team to build this case. Our company, [REDACTED] a corporation that is the victim of a large-scale grand theft and embezzlement offense committed by John Yarborough, a contractor who is the Managing Director of Pacific Capital Partners, LLC ("PCP") located at 9465 Wilshire Boulevard, Suite 300, Beverly Hills, CA 90212.

Mr. Yarborough was entrusted funds by [REDACTED] specifically [REDACTED] ents [REDACTED] lete contracting work on a property located at [REDACTED] in Los Angeles. Instead, Mr. Yarborough illegally spent these funds on another unrelated project and on personal use and funneled [REDACTED] owned by him. He also unlawfully took up a residence at the property and did not make the improvements for which he was paid and for which he submitted invoices. Mr. Yarborough has engaged in grand theft by embezzlement and fraud in excess of \$450,000 in violation of Penal Code §§ 487 and 503 and we request that a full investigation into his unlawful conduct be conducted and felony charges be filed.

On September [REDACTED], 2020, [REDACTED] and Mr. Yarborough, who is a fake contractor, and his company, PCP entered into an Agreement for a [REDACTED] project under which Mr. Yarborough would be responsible for rehabbing [REDACTED] [REDACTED] property and then selling it, with the proceeds and profits going back to [REDACTED] (**EXHIBIT 1- 9/14/20 Agreement**).

Three days later on September [REDACTED], 2020, Mr. Yarborough registered Pacific Capital Partners [REDACTED] LLC ("[REDACTED]") with the California Secretary of State (**EXHIBIT 2- [REDACTED] Registration**). The address of [REDACTED] was listed as [REDACTED], the address of the Property of the property rehabilitation project with [REDACTED]. Subsequently, Mr. Yarborough illegally embezzled and diverted funds intended to go to the [REDACTED] Project to the unrelated [REDACTED] LLC.

Pursuant to the Operating Agreement between [REDACTED] and Mr. Yarborough, a Wells Fargo business account was created for the business entity Pacific Capital [REDACTED] LLC on [REDACTED], 2020 (Account # [REDACTED]). In September 2021, [REDACTED] working on behalf of [REDACTED] were [REDACTED] the [REDACTED] and discovered a packet of documents. Included with these documents was the application for the Wells Fargo Business Account that had been submitted by Mr.

Yarbrough (**EXHIBIT 3 – Wells Fargo Account Documents**). In his application, Mr. Yarbrough listed two owners of the business account, PCP as well as ██████████, LLC (“██████”), which was never disclosed to ██████████. Mr. Yarbrough subsequently diverted funds specifically for the ██████████ project and used them for his unrelated ██████████ project. This illegal diversion of funds belonging to ██████████ continued until September 2021.

On September ██████████, 2020, the same day that Mr. Yarbrough registered ██████████ with the California Secretary of State, Mr. Yarbrough invoiced ██████████ for \$41,537 (**EXHIBIT 4 – Invoice**). The following day on September 18, 2020, Mr. Yarbrough issued a check to “█████████ Investments” in the amount of \$42,250 (**EXHIBIT 5 – Check to ██████████ Investments**). The check memorandum stated that it was for “Commission for ██████████ Avenue” which is a separate property associated with Mr. Yarbrough and is not an expense related to the ██████████ Property. It is evident that Mr. Yarbrough invoiced ██████████ for funds intended for the ██████████ Project but instead used them to pay expenses on his unrelated ██████████ Avenue Project.

In his dealings with ██████████, Mr. Yarbrough would submit his costs, expenses and invoices for the ██████████ Project on a shared Dropbox file. Mr. Yarbrough invoiced and received payment for expenses and bills associated with Mr. Yarbrough’s unrelated ██████████ Avenue Project. ██████████ reviewed Home Depot bills between August 2020 and July 2021 submitted by Mr. Yarbrough on the ██████████ Property Dropbox (**EXHIBIT 6 - Home Depot Bills**). In reviewing the bills, \$4,547.04 were Home Depot expenses specifically for the ██████████ Project, as indicated in the receipt, and an additional \$1,591.03 were listed for both ██████████ and ██████████ Projects. However everything was paid by ██████████ and Mr. Yarbrough illegally diverted the funds to his other project.

In addition, on November 8, 2020, Mr. Yarbrough attached a bill from Spectrum Cable in the amount of \$54.99 for service at ██████████ Drive (**EXHIBIT 7 - Spectrum Bill**).

When ██████████ were going through the Sunset Property in September 2021, one of the documents discovered reflected an Outgoing Wire Transfer from PCP to ██████████ Construction Inc. that was made on January 22, 2021 (**EXHIBIT 8 – Wire Transfer to ██████████, ██████████ President ██████████ and emailed ██████████, the owner of ██████████ on October 14, 2021 to inquire about what work, if had, had been performed by ██████████ on the ██████████ Property.**

Mr. ██████████ indicated that Mr. Yarbrough had entered into a contract with him on December 22, 2020 for a vacuum elevator to be installed at the ██████████ Property at the cost of \$51,716 with a down payment of \$25,858 (**EXHIBIT 9 – ██████████ Contract**). Once again Mr. Yarbrough used funds from ██████████ intended for the ██████████ Property to pay for costs/expenses on his unrelated ██████████ Project.

In a similar manner, Mr. Yarbrough used funds paid by ██████████ for the ██████████ Project to pay other construction contractors for his unrelated ██████████ Project. Mr. Yarbrough paid \$18,000 to ██████████ for construction work via a \$9000 cashier’s check on November 6, 2020 and a \$9000 cashier’s check on January 8, 2021 (**EXHIBIT 10 – Cashier’s Check to ██████████**). The remitter on the 11/6/20 check is listed as ██████████ and the remitter on the 1/8/21 check is ██████████. Both of these checks

were expensed to [REDACTED]. Mr. [REDACTED] spoke with Mr. [REDACTED] who indicated to him that both checks for paid to him by Mr. Yarbrough for work on the [REDACTED] Project. Mr. [REDACTED] indicated that he never completed any work on the [REDACTED] Project.

Mr. Yarbrough committed fraud and embezzlement from [REDACTED] unrelated to his [REDACTED] Project. Pursuant to the Agreement, Mr. Yarbrough (through his company PCP) sent Draw Requests purportedly from vendors for materials, services and other related items associated with the [REDACTED] Project. Between September 2020 and July 2021, Mr. Yarbrough billed [REDACTED] seven draw requests, for \$46,829.71, \$55,297.16, \$48,491.83, \$61,230.71, \$67,930.84, \$77,322.48 and \$73,877.00. By comparing each draw request submitted by Mr. Yarbrough, it is apparent that he is committing fraud by double billing and repeatedly listing the exact same transactions, descriptions and invoice numbers in each of his draw requests as attached as **EXHIBIT 11**.

The yellow highlighted portion indicates that the draw request transaction matches all of the other draw request transactions, indicating that the same transaction was listed and submitted for payment **six times**, for an amount in excess of **\$450,000**.

Mr. Yarbrough uploaded several unsigned documents onto the Dropbox account for the [REDACTED] that were unsigned and did not appear to ever have been executed or were in fact legitimate contracts with subcontractors and/or vendors (**EXHIBIT 12 – Unsigned Documents**). There was no indication that these contracts were ever paid. Mr. Yarbrough uploaded these “dummy contracts” as a means to misrepresent the progress on the [REDACTED] Project as well as continue his embezzlement and diversion of [REDACTED] funds by claiming that work was being done when, in fact, no progress was being made at all.

In addition, a review of the business account (Wells Fargo Account # [REDACTED]) shows that Mr. Yarbrough made several cash withdrawals or personal expenditures completely unrelated to his work on the [REDACTED] Project. The Wells Fargo records have been attached as **EXHIBIT 13**. Personal expenditures have been highlighted in yellow and cash withdrawals have been highlighted in blue.

The April 30, 2021 bank statement shows that Mr. Yarbrough spent \$335.23 at the Luxe Summit. Hotel on April 28, 2021 and \$235.94 at Sur Restaurant in West Hollywood on April 23, 2021. In addition, on June 10, 2021, Mr. Yarbrough charged \$383.93 of the funds intended for the Sunset Property at the Waldorf Astoria in Beverly Hills. In total, Mr. Yarbrough made \$11,040.66 in personal expenditures/expenditures unrelated to the [REDACTED] Project as seen in the bank records. He further withdrew **\$210,633.85** as highlighted in blue on the bank records. There is no indication that any of these cash withdrawals were used on the [REDACTED] Project.

On December 15, 2020, Mr. Yarbrough made a \$500 Zelle transfer to [REDACTED]. Information online indicates that Ms. [REDACTED] works as an escort (**EXHIBIT 14 – [REDACTED] Information**). On November 25, 2020, additionally Mr. Yarbrough used Zelle to

send \$500 to [REDACTED], who is a [REDACTED]. None of these expenditures are related to the [REDACTED] Project.

In addition, Mr. Yarbrough illegally took up residence at the [REDACTED] Property and only vacated after his illegal and fraudulent conduct began to surface. Following Mr. Yarbrough's departure, the [REDACTED] Property was in disrepair and it did not appear that any of the promised improvements and rehabilitations had been completed. On October 21, 2021, [REDACTED] Construction Consultants and [REDACTED] Homebuilders performed an in- depth inspection of the property and noted "numerous defects, poor quality materials, horrific workmanship, as well as incomplete work at almost every area of the home. A significant amount of the new installations was damaged due to improper or no protection of completed or partially completed installations" (**EXHIBIT 15 – BCCC/CMF Forensic Report**).

They further determined that "no permits were ever applied for or pulled for any of the work performed. Per the City of Los Angeles, all work that was performed on this project required a building permit."

Upon severing business ties with Mr. Yarbrough and discovering the documents he left behind when he vacated the [REDACTED] Property in September 2021, [REDACTED] discovered his fraudulent acts and largescale embezzlement scheme.

The evidence provided shows that Mr. Yarbrough has fraud and embezzlement in violation of Penal Code §§ 487 and 503 in his financial dealings with [REDACTED]. Mr. Yarbrough submitted invoices for payments despite not working on the property and continued to receive payment from [REDACTED], which he illegally diverted to other an unrelated project or otherwise spent on luxury hotels, travel, fine dining and escorts. His conduct is egregious and this kind of largescale financial fraud cannot go unpunished. We ask that immediate action be taken against Mr. Yarbrough.

If I can answer any additional questions or provide further information, please do not hesitate to contact me at [REDACTED]

Sincerely,

[REDACTED]

[REDACTED]
[REDACTED], President

[REDACTED] [REDACTED] [REDACTED]