

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING) Order No. S-03-002-05-CO01
5 whether there has been a violation of the)
6 Securities Act of Washington by:)
7) CONSENT ORDER AND ORDER
8) VACATING AMENDED SUMMARY
9) ORDER TO CEASE AND DESIST, ORDER
10) NUMBER S-03-002-03-TO02 AS TO LUZ
11) VALDEZ AND THE SOVEREIGN
12) ENTERPRISE
13)
14) Respondents.)
15)
16)
17)
18)
19)
20)
21)
22)
23)
24)

25 **INTRODUCTION**

26 On June 30, 2003, the Securities Administrator of the State of Washington issued a
27 Summary Order to Cease and Desist and Notice of Intent to Impose Fines and Order Affirmative
28 Relief, Order Number S-03-002-03-TO01, against Seattle Capital Group, Jae H. Pak, and Luz
29 Valdez. On January 26, 2004, the Securities Administrator issued an Amended Summary Order To
30 Cease And Desist And Notice Of Intent To Impose Fines And Order Affirmative Relief, Order
31 Number S-03-002-03-TO02 (“Amended Summary Order”), against Seattle Capital Group, Jae H.
32 Pak, Luz Valdez, Seattle Capital Group LLC, Seacap Fund LP, The Sovereign Enterprise, and Paul
33 M. Franklin as respondents.

34 Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Administrator and
35 Respondents, The Sovereign Enterprise and Luz Valdez, do hereby voluntarily enter into this
36 Consent Order in settlement of the above captioned matter.

37 In the Amended Summary Order, the Division made certain allegations and conclusions
38 under the headings “Tentative Findings of Fact” and “Conclusions of Law.” Respondents, Luz
39 CONSENT ORDER AS TO LUZ VALDEZ AND THE 1 DEPARTMENT OF FINANCIAL INSTITUTIONS
40 SOVEREIGN ENTERPRISE

1 Valdez and The Sovereign Enterprise, neither admit nor deny the “Tentative Findings of Fact” and
2 “Conclusions of Law” found in the aforementioned Amended Summary Order including, but not
3 limited to, those which are incorporated by reference into this Consent Order. The Amended
4 Summary Order is to be vacated except to the extent that the findings and conclusions in that
5 Amended Summary Order have been incorporated herein. Nothing contained in this Consent Order
6 shall preclude the Securities Division from investigations or further proceedings as to any other
7 potential respondents in this matter.

8
9 **CONSENT ORDER**

10 Based upon the foregoing,

11 IT IS AGREED AND ORDERED that Respondents, The Sovereign Enterprise and Luz
12 Valdez, shall cease and desist from any violation of RCW 21.20.140, the securities
13 registration provision of the Securities Act of Washington.

14 IT IS FURTHER AGREED AND ORDERED that Respondents, The Sovereign
15 Enterprise and Luz Valdez, shall cease and desist from any violation of RCW 21.20.040, the
16 salesperson registration provision of the Securities Act of Washington.

17 IT IS FURTHER AGREED AND ORDERED that Respondents, The Sovereign
18 Enterprise and Luz Valdez, shall cease and desist from any violation of RCW 21.20.010, the
19 anti-fraud section of the Securities Act of Washington.

20 IT IS FURTHER AGREED AND ORDERED that Respondents, The Sovereign
21 Enterprise and Luz Valdez, shall cease and desist from any violation of RCW 21.20.030, the
22 unlawful investment adviser acts section of the Securities Act of Washington.

1 IT IS FURTHER AGREED AND ORDERED that Respondents, The Sovereign
2 Enterprise and Luz Valdez, shall not make application for nor be granted a broker-dealer,
3 investment adviser, securities salesperson, or investment adviser representative license in the
4 state of Washington for five years from the date of entry of this Consent Order by the
5 Securities Administrator for the state of Washington.

6 IT IS FURTHER AGREED AND ORDERED that Respondents, The Sovereign
7 Enterprise and Luz Valdez, shall pay \$1,000 in investigative costs to the Securities Division
8 as follows:

9 The Sovereign Enterprise and Luz Valdez, shall pay investigative costs of \$1,000, of
10 which \$500 shall be paid prior to entry of this order and of which the remaining \$500
11 shall be paid in \$100 increments each month for five months commencing 30 days after
12 entry of this order if not sooner.

13 IT IS FURTHER AGREED AND ORDERED, that in consideration of the foregoing,
14 the Securities Division hereby vacates its Amended Summary Order to Cease and Desist and
15 Notice of Intent to Impose Fines and Order Affirmative Relief, Order Number #S-03-002-03-
16 TO02, as it pertains to Respondents, The Sovereign Enterprise and Luz Valdez.

17 IT IS FURTHER AGREED that Respondents, The Sovereign Enterprise and Luz
18 Valdez, waive their right to a hearing and their right to judicial review of this Consent Order
19 pursuant to RCW 21.20.440 and Chapter 34.05 RCW, so long as the Amended Summary
20 Order to Cease and Desist and Notice of Intent to Impose Fines and Order Affirmative Relief,
21 Order Number S-03-002-03-TO02, as it pertains to Respondents, The Sovereign Enterprise
22 and Luz Valdez, is, and remains, vacated.

1 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this
2 Consent Order.

3 IT IS FURTHER AGREED that in the event this Consent Order is violated, the
4 Securities Division will seek enforcement of the Consent Order pursuant to RCW 21.20.390
5 and RCW 21.20.395.

6 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE**

7 Dated this 18th day of May, 2006.

8 Approved for entry by:

Signed by:

9 _____/s/_____
10 Brent Winters
11 Attorney for Respondents

_____/s/_____
Luz Valdez (individually)

11 Signed by:
12 The Sovereign Enterprise

13 _____/s/_____
14 By: Luz Valdez
Executive Trustee

15 Signed and Entered this 22nd day of ____May_____, 2006 by:

16 

17 _____
18 Michael E. Stevenson
Securities Administrator

19 Approved by:

Presented by:

20 

21 

22 _____
Martin Cordell
Chief of Enforcement

23 _____
Dylan Waits
Enforcement Attorney