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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of Washington by:

SEATTLE CAPITAL GROUP,
SEATTLE CAPITAL GROUP LLC,
SEACAP FUND LP, THE SOVEREIGN
ENTERPRISE, JAE H. PAK, LUZ
VALDEZ and PAUL M. FRANKLIN,

Respondents.

Order Number S-03-002-06-CO02

CONSENT ORDER AND ORDER
VACATING AMENDED SUMMARY
ORDER TO CEASE AND DESIST,
ORDER NUMBER S-03-002-03-TO02 AS
TO JAE H. PAK AND SEATTLE
CAPITAL GROUP

INTRODUCTION

On January 26, 2004, the Securities Administrator of the State of Washington issued an Amended Summary Order To Cease And Desist And Notice Of Intent To Impose Fines And Order Affirmative Relief, Order Number S-03-002-03-TO02 (“Amended Summary Order”), against Respondents Seattle Capital Group, Jae H. Pak, Luz Valdez, Seattle Capital Group LLC, Seacap Fund LP, The Sovereign Enterprise, and Paul M. Franklin as respondents. Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Administrator and Respondents, Jae H. Pak and Seattle Capital Group, do hereby enter into this Consent Order in settlement of the above captioned matter. Respondents Jae H. Pak and Seattle Capital Group neither admit nor deny the Tentative Findings of Fact and Conclusions of Law found in the aforementioned Amended Summary Order. Nothing contained in this Consent Order shall preclude the Securities Division from investigations or further proceedings as to any other potential respondents in this matter.

1 **CONSENT ORDER**

2 Based upon the foregoing:

3 IT IS AGREED AND ORDERED that Respondents, Jae H. Pak and Seattle Capital Group, their
4 agents and employees each shall cease and desist from acting as an unregistered securities broker-dealer
5 or salesperson in violation of RCW 21.20.040, the broker-dealer and securities salesperson registration
6 section of the Securities Act of Washington.

7 IT IS FURTHER AGREED AND ORDERED that Respondents, Jae H. Pak and Seattle Capital
8 Group, their agents and employees each shall cease and desist from violating RCW 21.20.010, the anti-
9 fraud section of the Securities Act of Washington.

10 IT IS FURTHER AGREED AND ORDERED that Respondents, Jae H. Pak and Seattle Capital
11 Group, shall cease and desist from any violation of RCW 21.20.030, the unlawful investment adviser acts
12 section of the Securities Act of Washington.

13 IT IS FURTHER AGREED AND ORDERED that Respondents, Jae H. Pak and Seattle Capital
14 Group, shall not make application for nor be granted a broker-dealer, investment adviser, securities
15 salesperson, or investment adviser representative license in the state of Washington from the date of entry
16 of this Consent Order by the Securities Administrator for the state of Washington.

17 IT IS FURTHER AGREED that Respondents, Jae H. Pak and Seattle Capital Group, shall be liable
18 for and pay to the Securities Division the costs, fees, and other expenses incurred in the investigation of
19 this matter in the amount of two thousand dollars (\$2,000) in four payments of \$500. The first payment of
20 \$500 shall be paid on or before the date of entry of this Consent Order. The three remaining payments of
21 \$500 shall be paid on or before the last business day of each month, starting on November 30, 2006. The
22 \$2,000 costs shall become immediately due and payable upon failure to make any payment.

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

2 IT IS FURTHER AGREED AND ORDERED, that in consideration of the foregoing, the Securities
3 Division hereby vacates its Amended Summary Order to Cease and Desist and Notice of Intent to Impose
4 Fines and Order Affirmative Relief, Order Number #S-03-002-03-TO02, as it pertains to Respondents, Jae
5 H. Pak and Seattle Capital Group, except to the extent that the findings and conclusions in that Amended
6 Summary Order have been incorporated herein.

7 IT IS FURTHER AGREED that in consideration of the foregoing Respondents Jae H. Pak and
8 Seattle Capital Group waive their rights to a hearing in this matter and judicial review of this order.

9 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

10 SIGNED this 26th day of October, 2006.

11 Signed by:

12 Seattle Capital Group

13 By _____/s/
14 Jae H. Pak, President

15 Signed by:

16 _____/s/
17 Jae H. Pak, individually

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19 SIGNED and ENTERED this 6th day of November, 2006.

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21 _____
22 MICHAEL E. STEVENSON
23 Securities Administrator

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Approved by:



Martin Cordell
Chief of Enforcement

Presented by:



Dylan Waits
Financial Legal Examiner