

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

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

7 Strategic I, LLC;
8 Strategic IV, LLC;
9 SAAM Realty, LLC;
10 Edward R. Zumwalt,

11 Respondents.

12 Order Number S-09-020-13-CO01

13 CONSENT ORDER

14 **INTRODUCTION**

15 On March 14, 2013, the Securities Administrator of the State of Washington issued
16 Statement of Charges and Notice of Intent to Issue an Order to Cease and Desist, Impose Fines,
17 and Recover Costs, S-09-020-12-SC01, hereinafter referred to as the "Statement of Charges,"
18 against the Respondents Strategic I, LLC; Strategic IV, LLC; SAAM Realty, LLC; and Edward
19 R. Zumwalt. The Securities Division and the Respondents do hereby agree to this Consent
20 Order in settlement of the above captioned matter. The Securities Division has, in the
21 Statement of Charges, made certain allegations and conclusions, set forth under the headings
22 "Tentative Findings of Fact" and "Conclusions of Law." The Respondents Strategic I, LLC;
23 Strategic IV, LLC; SAAM Realty, LLC; and Edward R. Zumwalt neither admit nor deny the
24 Tentative Findings of Fact and Conclusions of Law, which are hereby incorporated by
reference into this Consent Order.

25 **CONSENT ORDER**

26 Based upon the foregoing and finding it in the public interest:

1 IT IS AGREED AND ORDERED that the Respondents Strategic I, LLC; Strategic IV,
2 LLC; SAAM Realty, LLC; and Edward R. Zumwalt shall cease and desist from violation of
3 RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

4 IT IS FURTHER AGREED AND ORDERED that the Respondents Strategic I, LLC;
5 Strategic IV, LLC; SAAM Realty, LLC; and Edward R. Zumwalt shall cease and desist from
6 violation of RCW 21.20.140, the securities registration section of the Securities Act of
7 Washington.

8 IT IS FURTHER AGREED AND ORDERED that the Respondent Edward R. Zumwalt
9 shall cease and desist from violation of RCW 21.20.040, the securities salesperson and
10 broker-dealer registration section of the Securities Act of Washington.

11 IT IS FURTHER AGREED that the Respondents Strategic I, LLC; Strategic IV, LLC;
12 SAAM Realty, LLC; and Edward R. Zumwalt shall be liable for and shall pay the investigative
13 costs incurred in the investigation of this matter in the amount of \$2,500. The Respondents
14 shall pay \$100 before the entry of this Consent Order, and shall make payments of \$100 per
15 month for twenty-four (24) consecutive months. Each payment shall be due by the last day of
16 the month. The first payment shall be due by July 31, 2013.

17 IT IS FURTHER AGREED that if the Respondents Strategic I, LLC; Strategic IV,
18 LLC; SAAM Realty, LLC; and Edward R. Zumwalt fail to make any monthly payment, the
19 \$2,500 in costs imposed in this Consent Order shall become immediately due and payable, and
20 the Securities Division may seek enforcement of the Consent Order pursuant to RCW
21 21.20.395.

1 IT IS FURTHER AGREED that the Respondents Strategic I, LLC; Strategic IV, LLC;
2 SAAM Realty, LLC; and Edward R. Zumwalt enter into this Consent Order freely and
3 voluntarily and with full understanding of its terms and significance.

4 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this
5 order.

6 IT IS FURTHER AGREED that in consideration of the foregoing, the Respondents
7 Strategic I, LLC; Strategic IV, LLC; SAAM Realty, LLC; and Edward R. Zumwalt waive their
8 right to a hearing in this matter and judicial review of this order.

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

11 SIGNED this 2nd day of July, 2013.

12 Signed by:
13 Strategic I, LLC

14 /s/

14 Edward R. Zumwalt, CEO of Strategic Asset Acquisition
15 & Management LLC, the Manager of Strategic I, LLC

16 Signed by:
17 Strategic IV, LLC

18 /s/

18 Edward R. Zumwalt, CEO of Strategic Asset Acquisition
19 & Management LLC, the Manager of Strategic IV, LLC

20 Signed by:
21 SAAM Realty, LLC

22 /s/

22 Edward R. Zumwalt, Manager

