

1 WAYNE STRUMPFER  
Acting California Corporations Commissioner  
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Acting Deputy Commissioner  
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8  
9 BEFORE THE DEPARTMENT OF CORPORATIONS  
10 OF THE STATE OF CALIFORNIA

12	In the Matter of	)	CASE NO.
13	THE CALIFORNIA CORPORATIONS	)	FILE NO. 917-4517
14	COMMISSIONER,	)	ACCUSATION RE INTENT TO ISSUE
15	Complainant,	)	ORDER REVOKING BACK BAY CAPITAL,
16	v.	)	INC.'s BROKER-DEALER CERTIFICATE
17	BACK BAY CAPITAL, INC.,	)	PURSUANT TO CORPORATIONS CODE
18	Respondent.	)	SECTION 25212
19		)	
20		)	
21		)	

22 WAYNE STRUMPFER, the Acting California Corporations Commissioner  
23 ("Commissioner") of the Department of Corporations ("Department"), alleges and charges as  
24 follows:

25 BACK BAY CAPITAL, INC. holds a valid and unrevoked broker-dealer certificate issued by  
26 the Commissioner pursuant to Corporations Code section 25211 on June 23, 1998. BACK BAY  
27 CAPITAL, INC. is in the broker-dealer business and is located at 2801 Camino Del Rio South,  
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1 Suite 310, San Diego, California 92108, with a mailing address of 63 Chatham Street, 3<sup>rd</sup> Floor,  
2 Boston, Massachusetts 02109. Its president is Albert Carazolez and Chief Financial Officer is  
3 Kenneth George.

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5 1. On or about February 2, 2005, BACK BAY CAPITAL, INC. was expelled from  
6 membership in the National Association of Securities Dealers (NASD) for engaging in fraudulent  
7 and deceptive sales practices and making unsuitable recommendations.

8 2. Corporations Code section 25212 provides, in pertinent part:

9 The commissioner may, after appropriate notice and opportunity for hearing, by order  
10 censure, deny a certificate to, suspend for a period not exceeding 12 months or revoke  
11 the certificate of, any broker-dealer if the commissioner finds that the censure, denial,  
12 suspension, or revocation is in the public interest and that the broker-dealer, whether  
13 prior or subsequent to becoming a broker-dealer, or any partner, officer, director, or  
14 branch manager of the broker-dealer, whether prior or subsequent to becoming  
15 associated with the broker-dealer, or any person directly or indirectly controlling the  
16 broker dealer, whether prior or subsequent to becoming such, or any agent employed by  
17 the broker-dealer while so employed has done any of the following: . . .

18 (d) Is or has been subject to...(2) any order of any national securities association or  
19 national securities exchange (registered under the Securities Exchange Act of 1934)  
20 suspending or expelling that person from membership in the association or exchange or  
21 from association with any member thereof. . .

22 3. Corporations Code section 25215 provides:

23 No order may be entered under Section 25212, 25213, 25312.3 or 25252 except  
24 after notice to the person affected thereby (and in the case of an agent, to his or  
25 her employer or prospective employer if known to the commissioner) of the  
26 intention of the commissioner to enter that order and of the reasons therefor  
27 and that upon receipt of a request the matter will be set down for hearing to  
28 commence within 15 business days after that receipt unless the person affected  
consents to a later date. If no hearing is requested within 30 days after the  
mailing of the notice and none is ordered by the commissioner, the order may  
be entered without hearing to remain in effect until it is modified or vacated by  
the commissioner....

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If a hearing is requested or ordered, it shall be held in accordance with the provisions of the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), and the commissioner shall have all of the powers granted thereunder.

4. The foregoing reasons are grounds under California Corporations Code section 25212, justifying the issuance of an Order revoking BACK BAY CAPITAL, INC.'s broker-dealer certificate. BACK BAY CAPITAL, INC., as a licensee, was obligated to have knowledge of, and to comply with, the provisions of the Corporations Code and the regulations thereunder to maintain its broker-dealer certificate.

5. Therefore, pursuant to Corporations Code section 25212, the Commissioner intends to issue an Order revoking BACK BAY CAPITAL, INC.'s broker-dealer certificate.

WHEREFORE, good cause showing, and pursuant to Corporations Code section 25212, the California Corporations Commissioner hereby finds that it is in the public interest to revoke BACK BAY CAPITAL INC.'s broker-dealer certificate, and hereby notifies BACK BAY CAPITAL, INC. of its intention to make final the Order revoking BACK BAY CAPITAL, INC.'s broker-dealer certificate.

Dated: August 18, 2005  
San Francisco, California

WAYNE STRUMPFER  
Acting California Corporations Commissioner

By: \_\_\_\_\_  
KIRK WALLACE  
Corporations Counsel  
Enforcement Division