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8
9 BEFORE THE DEPARTMENT OF BUSINESS OVERISGHT
10 OF THE STATE OF CALIFORNIA

11 In the Matter of) FILE NO. 166561
12)
13 THE COMMISSIONER of BUSINESS) 1. DESIST AND REFRAIN ORDER;
OVERSIGHT,)
14) 2. ORDER LEVYING ADMINISTRATIVE
Complainant,) PENALTIES
15 v.)
16 Aztec Capital, LLC, and Bob Lang)
17 Respondents)
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19)
20)

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22 The Commissioner of Business Oversight ("Commissioner") of the Department of Business
23 Oversight ("Department") alleges and charges as follows:

24 **I. JURISDICTION AND VENUE**

25 1. The Commissioner brings this action pursuant to the provisions of California
26 Corporations Code sections 25252(a) and 25532(b), and the rules and regulations promulgated
27 thereunder.

28 2. The Commissioner is authorized to administer and enforce the provisions of the

1 Corporate Securities Law of 1968, Corporations Code section 25000 *et seq.* ("CSL") and the
2 regulations thereunder at Title 10, California Code of Regulations ("CCR").

3 **II. STATEMENT OF FACTS**

4 3. This action is brought to order Respondent Aztec Capital, LLC, ("Aztec") and Bob
5 Lang ("Lang") to:

6 (a) desist and refrain from unlicensed investment adviser activities pursuant to CSL section
7 25532(b); and,

8 (b) pay penalties to the Department for conducting unlicensed investment adviser activities
9 pursuant to section 25252(a) of ten-thousand (\$10,150.00) for all violations of 25230(a), combined.

10 4. At all relevant times, Lang was the majority owner and sole control person of Aztec.
11 Aztec is a California limited liability company, formed January 7, 2005, with its principal place of
12 business located at 2453 Royal Ave., Simi Valley, California, 93065.

13 5. On or about March 1, 2013, Aztec filed an application for an investment adviser
14 certificate with the Department. The application revealed that Aztec and Lang were likely engaging
15 in investment adviser activities without a license.

16 6. On its application, Aztec and Lang provided information that indicated Aztec may
17 have been currently providing investment advice for a fee. When the Department inquired further
18 about this activity, Aztec and Lang fully cooperated, providing information showing that it had
19 eleven (11) clients, with a total of one million four hundred thousand dollars (\$1,400,00.00) under
20 management.

21 7. The client information provided by Aztec and Lang shows that they were engaged in
22 unlicensed investment adviser activity in violation of CSL section 25230(a).

23 8. Neither Aztec nor Lang held a valid investment adviser certificate issued by the
24 Department or the U.S. Securities and Exchange Commission ("SEC"), at the time the application
25 was submitted.

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**III. ORDER TO DESIST AND REFRAIN FROM UNLICENSED INVESTMENT
ADVISER ACTIVITIES IN CALIFORNIA PURSUANT TO CORPORATIONS CODE
SECTION 25230(a) AND 25532 (b)**

18. Corporations Code section 25230 (a) provides, in pertinent part:

It is unlawful for any investment adviser to conduct business as an investment adviser in this state unless the investment adviser has first applied for and secured from the commissioner a certificate, then in effect, authorizing the investment adviser to do so

19. Corporations Code section 25532(b) provides, in pertinent part:

If, in the opinion of the commissioner, a person has been or is acting as a broker-dealer or investment adviser, or has been or is engaging in broker-dealer or investment adviser activities, in violation of Section 25210, 25230, or 25230.1, the commissioner may order that person to desist and refrain from the activity until the person has been appropriately licensed or the required filing has been made under this law.

20. Aztec and Lang have conducted business as an investment adviser in this state without first securing from the commissioner a certificate, then in effect, in violation of Corporations Code section 25230(a).

Accordingly, Aztec and Lang are hereby ordered to desist and refrain from acting as an investment adviser in the State of California unless and until they have first applied for and secured from the commissioner a certificate authorizing them to act as an investment adviser, or unless exempt.

This Order is necessary, in the public interest, for the protection of investors, and consistent with the purposes, policies, and provisions of the CSL.

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IV. ORDER LEVYING ADMINISTRATIVE PENALTIES

22. Aztec and Lang willfully violated the CSL by engaging in unlicensed investment adviser activity, in violation of CSL section 25230(a).

23. CSL section 25245 states:

It is unlawful for any person willfully to make any untrue statement of a material fact in any application, notice, or report filed with the commissioner under this part, or willfully to omit to state in any such application, notice, or report any material fact which is required to be stated therein.

24. Corporations Code section 25252(b) authorizes the Commissioner to issue an order levying administrative penalties against any investment adviser for willful violations of any provisions of the California Securities Laws and any rules promulgated thereunder.

25. Corporations Code section 25252(b) provides, in relevant part:

(b) Any broker-dealer or investment adviser that willfully violates any provision of this division to which it is subject, or that willfully violates any rule or order adopted or issued pursuant to this division and to which it is subject, is liable for administrative penalties of not more than five thousand dollars (\$5,000) for the first violation, not more than ten thousand dollars (\$10,000) for the second violation, and not more than fifteen thousand dollars (\$15,000) for each subsequent violation.

Pursuant to Corporations Code section 25252(a), the commissioner hereby levies administrative penalties against Respondents Aztec and Lang in the amount of ten-thousand (\$10,000.00), for repeated willful violations of section 25230(a) over more than one year of advising clients and collecting fees while unlicensed, plus an additional \$125.00 reflecting licensing fees Aztec and Lang avoided by failing to become licensed in 2012. This amount shall be paid to the commissioner as follows:

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(a) An initial payment of \$5,125.00 paid to the Department due within 10 days of the issuance of the order; and,

(b) Four (4) equal payments of \$1,250 paid to the Department on or before the following dates: November 30, 2013, February 28, 2014, May 31, 2014, and August 31, 2014.

Said checks will be made payable to the “California Department of Business Oversight” and will be sent to Erik Brunkal, Senior Corporations Counsel, 1515 K St., Suite 200, Sacramento, CA 95814.

This Order is necessary, in the public interest, for the protection of investors, and consistent with the purposes, policies, and provisions of the CSL.

Dated: August 29, 2013
Sacramento, California

Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division