

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:

Jorge Alejandro dba J&L Associates,
Respondent

SDO - 04 - 01

SUMMARY ORDER TO CEASE AND
DESIST

Case No. 99-06-0183

THE STATE OF WASHINGTON TO:

Jorge Alejandro dba J&L Associates

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent Jorge Alejandro dba J&L Associates (Alejandro) has violated the Securities Act of Washington and that his violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondent Alejandro to cease and desist from such violations would be hazardous to investors and to the public, and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

PARTIES

I.

J&L Associates is an unincorporated business entity with a place of business at 1860 Highpointe Drive, Bountiful UT 84010.

II.

Jorge Alejandro, a Washington resident, is the owner and a principal of J&L Associates.

SUMMARY ORDER TO CEASE AND DESIST 1

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
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NATURE OF THE OFFERING

III.

In early 1999, Alejandro offered to the public and sold promissory notes to at least two Arizona residents that would be repaid from the proceeds of a high yield investment trading program through J&L Associates. The high yield program purportedly provided for investors' funds to be used as collateral for a trading account that involved a "Bank Profit Guarantee" and other unspecified bank investments trading. The two Arizona residents wired amounts of \$30,000 and \$35,000 respectively to a bank account located in the State of Washington. Alejandro prepared or caused to be prepared promissory notes to be provided to the investors for the respective amounts. The promissory notes also stated that Alejandro promised to repay the investors approximately twice the amount of principal contributed by the investors within a period of approximately three months.

ANTI-FRAUD VIOLATIONS

IV.

In connection with the offer and sale of the promissory notes, Respondent Alejandro failed to disclose to investors that Alejandro had been indicted for and pled guilty to federal conspiracy charges in 1990. The conspiracy charge involved the possession of counterfeited securities in the form of cashier's checks of banking institutions. Respondent Alejandro failed to disclose to investors other material facts relating to the investment, including, but not limited to, the business history and experience of the Respondent, material risks of the investment, the use of proceeds, the amount of commissions and selling expenses to be paid out of the proceeds of the offering and the financial condition of J&L Associates and Jorge Alejandro. The investors' funds were deposited in a bank account located in the State of Washington. A significant portion of these

1 funds went to Alejandro and Alejandro's spouse and used for apparent personal uses such as cash withdrawals,
2 rent, groceries, and medical expenses.

3 FICTITIOUS FINANCIAL INSTRUMENTS

4 V.

5 The high yield trading program as described above purports to involve trading related to "a Profit
6 Bank Guarantee" or other unspecified bank transactions. Since 1993, the Federal Reserve Board, the
7 Securities and Exchange Commission and other regulatory agencies have alerted the public that such high
8 yield trading programs and other schemes are fraudulent and do not involve bona fide financial instruments
9 or actual trading of securities. Respondent failed to disclose these warnings to investors and did not provide
10 investors with documentation of the existence of the so-called financial instruments or trading program.

11 THREAT TO INVESTING PUBLIC

12 VI.

13 The Securities Administrator finds that the continued offering of promissory notes by Respondent
14 in the manner described in Tentative Finding of Fact I through V presents a threat to the investing public.

15 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

17 CONCLUSIONS OF LAW

18 I.

19 The offer and/or sale of promissory notes by Jorge Alejandro dba J&L Associates described above
20 constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12).

21 II.

22 The offer and/or sale of said securities was made in violation of RCW 21.20.010 because Respondent
23 Alejandro failed to disclose material facts of the offering and representations made in connection with the offer
24 and sale of the promissory notes were misleading.

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EMERGENCY

The Securities Administrator finds that an emergency exists because Respondent knowingly and intentionally engaged in violations of the anti-fraud provisions of the Securities Act and that such conduct presents an immediate danger to the safety and welfare of the investing public, and is likely to continue to do so.

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SUMMARY ORDER TO CEASE AND DESIST

Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator orders that Jorge Alejandro permanently cease and desist from violations of RCW 21.20.010, the anti-fraud provisions of the Securities Act.

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AUTHORITY AND PROCEDURE

This SUMMARY ORDER is entered pursuant to the provisions of RCW 21.20.390 and is subject to the provisions of Chapter 34.05 RCW. The Respondent Alejandro may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order. If Respondent does not request a hearing in this matter, the Securities Administrator will, based on the foregoing Findings of Fact and Conclusions of Law, enter a final order to cease and desist in this matter.

CONTINUING INVESTIGATION

The Securities Division is continuing to investigate the practices of the Respondent Alejandro to determine the full extent of the violations of the Securities Act that have occurred in this matter.

DATED this 5th day of January, 2001.



DEBORAH R. BORTNER
Securities Administrator

Presented by:

Martin Cordell
Senior Enforcement Attorney

Approved for entry by:

Michael E. Stevenson
Chief of Compliance