

Division of Securities
Utah Department of Commerce
160 East 300 South
P.O. Box 146760
Salt Lake City, Utah 84114-6760
Telephone: 801 530-6600

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:

**WESTERN PACIFIC SECURITIES,
INC., CRD#26354; and**

LEONARD V. ROSS, CRD#405128

Respondents.

STIPULATION AND CONSENT ORDER

Docket No. SD-10-0026

Docket No. SD-10-0027

The Utah Division of Securities ("Division"), by and through its Director of Licensing and Compliance, Dave R. Hermansen, and Respondents Western Pacific Securities, Inc.

("Western Pacific") and Leonard V. Ross ("Ross"), hereby stipulate and agree as follows:

1. Respondents have been the subject of an investigation by the Division into allegations that they violated the Utah Uniform Securities Act ("Act"), Utah Code Ann. §61-1-1, *et seq.*
2. On or about April 28, 2010, the Division initiated an administrative action against Respondents by filing an Order to Show Cause.
3. Respondents hereby agree with the Division to settle this matter by way of this Stipulation and Consent Order ("Order"). If entered, the Order will fully resolve all claims the Division has against Respondents pertaining to the April 28, 2010 Order to

Show Cause.

4. Respondents admit that the Division has jurisdiction over them and the subject matter of this action.
5. Respondents hereby waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf.
6. Respondents have read this Stipulation and Consent Order, understand its contents, and submit to the entry of the Order voluntarily. No promises or other agreements have been made by the Division, nor by any representative of the Division, to induce Respondents to enter into this Order, other than as described in this Order.
7. Respondents are represented by P. David Newsome, Jr., Esq., and are satisfied with his representation and counsel in this matter.

I. FINDINGS OF FACT

The Parties

8. Western Pacific is a broker-dealer located in Fresno, California. It is not licensed in Utah.
9. Ross is the Chief Executive Officer, Chief Compliance Officer and majority owner of Western Pacific. Although Ross has been previously licensed in Utah as a broker-dealer agent of several other firms, he has never been licensed in Utah with Western Pacific.
10. On August 26, 2009, the Division received a Form D Rule 506 notice filing for a private placement offering by Hisaw Partner, L.P. ("Hisaw"), Division File No. B00868517.
11. The Form D filing identified Ross and Western Pacific as recipients of sales compensation for selling the offering, and identified Utah as a state in which sales of the

offering were being made.

12. On September 8, 2009, the Division received correspondence from legal counsel for Hisaw indicating that “the first (and only) sale of securities in Utah took place on January 24, 2009.”
13. On March 15, 2010, the Division sent a letter to Western Pacific requesting information about Utah investors and copies of sales agreements between Western Pacific and entities for which securities sales were made to any Utah investor.
14. On March 22, 2010, Ross responded by a letter denying any unlicensed activity in Utah, because the Utah investors were domiciled in California, but did not provide the information requested in the Division’s March 15, 2010 letter.
15. On March 15, 2010, the Division also sent a letter to Hisaw’s counsel requesting information about the offering, including a list of Utah investors, copies of sales agreements between Hisaw and Western Pacific, and a list of commissions paid for sales to Utah investors.
16. On April 1, 2010, Hisaw’s counsel provided a written response and documentation as requested by the Division, which indicated that contrary to the September 8, 2009 representation, two sales of the offering of the same investment were made by Ross and Western Pacific to a married couple residents of Utah who were also domiciled in Indian Wells, California. The first sale, in the amount of \$50,000, was made on January 24, 2009. The second sale, also in the amount of \$50,000, was made June 30, 2009. Ross and Western Pacific were paid a commission of \$10,000 for the sales.
17. The letter further stated that Hisaw had since sold its assets, repaid the investors

\$102,272.73 and had ceased to do business.

18. Ross and Western Pacific, as their defense, alleged that all sales activities took place in California.

II. CONCLUSIONS OF LAW

19. Ross violated Section 61-1-3(1) of the Act by transacting business in Utah as a broker-dealer agent without being licensed.
20. Western Pacific violated Section 61-1-3(1) of the Act by transacting business in Utah as a broker-dealer without being licensed.
21. Western Pacific violated Section 61-1-3(2)(a) in employing or engaging an unlicensed agent, Ross.

III. REMEDIAL ACTIONS/SANCTIONS

22. Respondents neither admit nor deny the Division's findings and conclusions, and consent to the sanctions below being imposed by the Division.
23. Respondents represent that the information they have provided to the Division as part of the Division's investigation is accurate and complete.
24. Pursuant to Utah Code Ann. § 61-1-20, and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, Respondent Western Pacific agrees to the entry of a fine by the Division in the amount of \$5,000.00. The fine shall be paid within 180 days of the entry of the Order below.
25. Respondents agree to cease and desist from violating the Utah Uniform Securities Act, and to comply with the requirements of the Act in all future business in this state.

IV. FINAL RESOLUTION

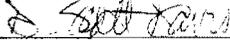
26. Respondents acknowledge that this Order, upon approval by the Utah Securities Commission, shall be the final compromise and settlement of this matter. Respondents further acknowledge that if the Commission does not accept the terms of the Order, it shall be deemed null and void and without any force or effect whatsoever.
27. Respondents acknowledge that the Order does not affect any civil or arbitration causes of action that third-parties may have against them arising in whole or in part from their actions, and that the Order does not affect any criminal causes of action that may arise as a result of his conduct referenced herein. Respondents also acknowledge that any civil, criminal, arbitration or other causes of actions brought by third-parties against them have no effect on, and do not bar, this administrative action by the Division against them.
28. This Order constitutes the entire agreement between the parties herein and supersedes and cancels any and all prior negotiations, representations, understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect this Order in any way.

Dated this 18th day of October, 2010.



Dave R. Hermansen
Director of Licensing and Compliance
Utah Division of Securities

Approved:

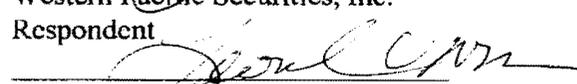


D. Scott Davis
Assistant Attorney General

Dated this 6th day of October 2010.

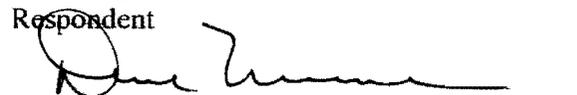


Western Pacific Securities, Inc.
Respondent



Leonard V. Ross

Respondent



P. David Newsome, Jr.
Counsel for Respondent

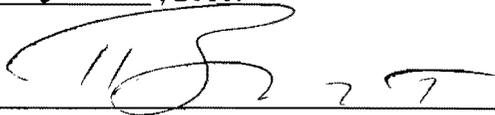
ORDER

IT IS HEREBY ORDERED THAT:

1. The Division's Findings and Conclusions, which are neither admitted nor denied by the Respondents, are hereby entered.
2. Pursuant to Utah Code Ann. § 61-1-20, and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, a fine is hereby imposed in the amount of \$5,000.00, against the Respondent Western Pacific, which shall be paid within 180 days of the entry of this Order.
3. Respondents shall cease and desist from violating the Utah Uniform Securities Act and comply with the requirements of the Act in all future business in this state.

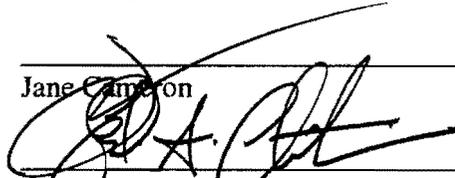
BY THE UTAH SECURITIES COMMISSION:

DATED this 28th day of October, 2010.



Tim Bangerter

Jane Cameron



Erik Christiansen



Michael O'Brien

Laura Polacheck

Certificate of Mailing

I certify that on the 10th day of Nov, 2010, I mailed, by certified mail, a true and correct copy of the Stipulation and Consent Order to:

P. David Newsome, Jr.
Hall, Estill, Hardwick, Gable, Golden & Nelson
320 South Boston, Suite 200
Tulsa, Oklahoma 74103

7008 1140 0004 11042 0824



Executive Secretary