

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-11-0228**

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:

Order No. S-11-0228-11-OR1

JOHN BLAKE-ZUNIGA

RESPONDENT

CONSENT ORDER

This Consent Order is entered pursuant to the Arkansas Securities Act, codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509 (“Act”), the Rules of the Arkansas Securities Commissioner (“Rules”) promulgated under the Act, and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201 through 25-15-219, in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”), and John Blake-Zuniga (“Blake”) in full and final settlement of all claims that could be brought against Blake by the Staff on the basis of the facts set forth herein.

Blake admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), waives his right to a formal hearing, consents to the entry of this order, and agrees to abide by its terms. Blake also agrees that entry of this order has no impact on his civil liability to Arkansas investors under Ark. Code Ann. § 23-42-106 for the violations detailed below. Blake acknowledges, without admitting or denying the Findings of Facts or Conclusions of Law contained in this Order, and consents to the entry of this Order by the Commissioner.

FINDINGS OF FACTS

1. Blake, CRD No. 1014886, is currently registered in Arkansas as an agent for the broker-dealer firm, Vanguard Capital. His branch address is listed as 2030 Main Street, Suite 120, Irvine, CA 92164.

2. Vanguard Capital, CRD No. 22081, is a state-regulated broker-dealer firm based in California and is a member firm of the Financial Industry Regulatory Authority. It has been registered with the Arkansas Securities Department (“Department”) as a broker-dealer since August 3, 1989 and is currently registered.

3. On or about April 27, 2010, the Department received a call from a concerned attorney regarding documents received by an Arkansas resident (“AR1”).

4. These documents were a series of promissory notes executed between AR1’s now deceased spouse and several entities including, Payday Loan Corporation, Payday Loan, LLC, Payday Loan of America, Inc., and Dwarf Planet, LLC. AR1’s spouse would loan a sum of money to any of the above entities in return for a profit of the interest paid on the loan. The date on the notes range from 1999 to 2009.

5. Blake signed an outside business activity notification form for Vanguard Capital dated October 27, 1999. On the notification form, Blake reported outside business for Payday Loan Corporation. Under the description for the outside business, Blake advised that he was a “[p]assive stockholder with [n]o [d]ay to [d]ay [e]mployment or [m]anagement [r]esponsibility.”

6. An examination of the promissory notes between the entities listed in paragraph four and AR1’s now deceased spouse reveals that Blake signed several notes as the CEO or Chief Executive of Payday Loan Corporation.

7. Furthermore, a search of the Nevada Secretary of State website reveals the entity information for Payday Loan Corporation. Blake was listed as the registered agent and as the President of Payday Loan Corporation.

8. Blake did not update the outside business activity notification form to reflect the change in position from passive investor to CEO of Payday Loan Corporation.

LEGAL AUTHORITY AND CONCLUSIONS OF LAW

9. Ark. Code Ann. § 23-42-308(a) allows the Commissioner to deny, suspend, revoke, or make conditional or probationary, any registration where he finds the registrant has violated Ark. Code Ann. § 23-42-308(a)(2)(G).

10. Rule 308.01(R) of the Rules states that unauthorized outside business activity constitutes a violation of Ark. Code Ann. § 23-42-308(a)(2)(G). Outside business activity is defined as effecting securities or non-securities transactions not recorded on the regular books or records of the broker-dealer unless the activity is authorized in writing by the broker-dealer and such authorization is maintained in the broker-dealer's records. Rule 308.01(R).

11. The facts set forth in paragraphs one through eight constitute outside business activities, practices that are prohibited by Ark. Code Ann. § 23-42-308(a)(2)(G) and Rule 308.01(R) of the Rules.

12. Entry of this order does not affect the civil liability to Arkansas investors under Ark. Code Ann. § 23-42-106.

ORDER

The facts set out in paragraphs one through eight support the conclusions of law set out in paragraphs nine through twelve. The Commissioner finds this Order necessary and appropriate in the public interest for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act. The Staff and Respondents are desirous of settling this matter as hereafter set forth and agree to the entry of this Order.

Based upon the foregoing, it is therefore ORDERED:

13. Respondent shall cease and desist from conducting outside business activities in violation of Ark. Code Ann. § 23-42-308(a)(2)(G).

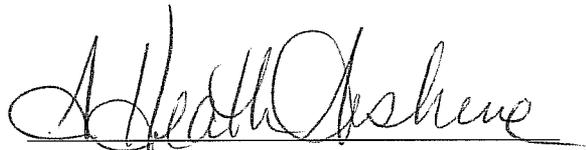
14. Respondent shall, within 10 days of the entry of this Order, pay a fine to the Department in the amount of \$3,500.00. Respondent shall make said payment by money order or cashier's check payable to the Arkansas Securities Department, 201 E. Markham, Suite 300, Little Rock, Arkansas 72201.

15. It is agreed that Respondent enters into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

16. It is further agreed that the Commissioner has jurisdiction to enter this Order.

17. In consideration of the foregoing, Respondent waives his rights to a hearing in this matter and to judicial review of this Order.

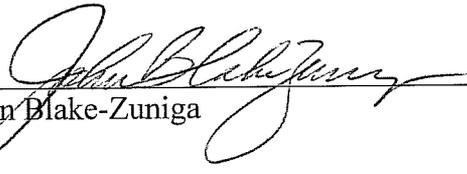
IT IS SO ORDERED.



A. Heath Abshure
ARKANSAS SECURITIES COMMISSIONER

March 30, 2011
Date

John Blake-Zuniga hereby agrees to the entry of this Consent Order, and consents to all terms, conditions, and orders contained therein, and waives any right to an appeal of this Order.

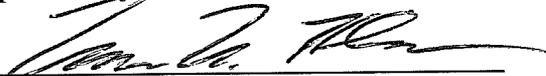


John Blake-Zuniga

3/24/11

Date

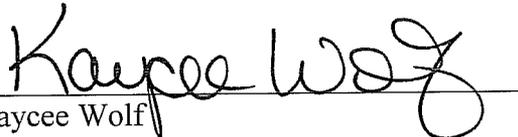
Approved by:



Bruce Kelson
Attorney for Respondent

3/25/11

Date



Kaycee Wolf
Staff Attorney
Arkansas Securities Department

3-28-11

Date