

**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-OR2**

**JULIA YOUNGBLOOD**

**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 Julia Youngblood (“Youngblood”) in full and final settlement of all claims that could be brought against Youngblood by the Staff on the basis of the facts set forth herein.

Youngblood admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), waives her right to a formal hearing, consents to the entry of this order, and agrees to abide by its terms. Youngblood 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. Youngblood, CRD No. 1943480, is currently registered in Arkansas as an agent for the broker-dealer firm, Vanguard Capital. Her 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. A December 2008 letter to AR1 and AR1’s deceased spouse discusses investments in Payday Loan Corporation and Dwarf Planet, LLC.

6. A search of the Nevada Secretary of State website reveals the entity information for Dwarf Planet, LLC. Youngblood was listed as the managing member of Dwarf Planet, LLC.

7. Vanguard Capital had no approved outside business activities on record for Youngblood.

#### **LEGAL AUTHORITY AND CONCLUSIONS OF LAW**

8. 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).

9. 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).

10. The facts set forth in paragraphs one through seven 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.

### **ORDER**

The facts set out in paragraphs one through seven support the conclusions of law set out in paragraphs eight through ten. 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:

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

12. Respondent shall, within 10 days of the entry of this Order, pay a fine to the Department in the amount of \$700.00. 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.

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

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

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

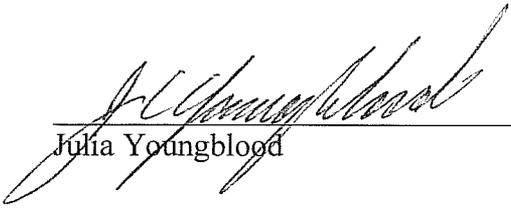
IT IS SO ORDERED.



A. Heath Abshire  
ARKANSAS SECURITIES COMMISSIONER

March 30, 2011  
Date

Julia Youngblood 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.

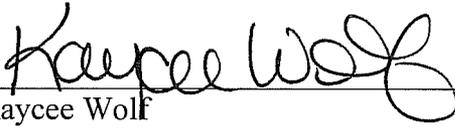
  
\_\_\_\_\_  
Julia Youngblood

3/24/11  
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Date

**Approved by:**

  
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Bruce Kelson  
Attorney for Respondent

3/25/11  
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Date

  
\_\_\_\_\_  
Kaycee Wolf  
Staff Attorney  
Arkansas Securities Department

3-28-11  
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Date