



1           4. As a registered representative with NASD member firms, Zubick was required to pass  
2 qualifying examinations and to conform to the requirements of the Corporate Securities Law of  
3 1968 (California Corporations Code §§ 25000 et seq.), California regulations (Code of  
4 Regulations, title 10, §§ 260.000 et seq.), as well as Federal securities law, rules and regulations  
5 promulgated by the Securities and Exchange Commission and the NASD. Zubick took and passed  
6 at least three examinations and was knowledgeable about the legal requirements governing those  
7 who are employed in the securities industry. Zubick knew a license or exemption is required to  
8 effect securities transactions as a broker-dealer and engage in investment advisory activities.

9           5. Both before and after he was barred from the securities industry Zubick formed and  
10 managed several entities to facilitate his access, control and appropriation of investors' funds.  
11 These entities ostensibly include, but are not limited to, the following: Zubick Holdings, Ltd.,  
12 Zubick Holdings, LLC, Zubick Capital Partners, L.P., Zubick Capital Partners II, L.P., Sunrise  
13 Capital Partners, L.P., and Sunrise Capital Partners LLC. These entities and fictitious business  
14 names used by Zubick served as his alter egos.

15           6. From 1999 and continuing thereafter Zubick was engaged in unlicensed activities as a  
16 broker-dealer and investment adviser. Zubick used entities such as Zubick Capital Partners, L.P.,  
17 Zubick Capital Partners, II, L.P., and Sunrise Capital Partners, L.P., to pool investors' funds and  
18 "to engage in securities investment primarily for the shorter term to produce growth of capital."  
19 The General Partner or manager of Zubick Capital Partners, L.P., Zubick Capital Partners II, L.P.,  
20 and Sunrise Capital Partners, L.P. was Zubick Holdings, Ltd., another limited partnership created,  
21 owned and controlled by Zubick. Thus, Zubick or his alter egos directly managed and controlled  
22 investors' funds and securities.

23           7. Zubick used deceptive tactics to impress investors and maintain control over investors'  
24 funds. Zubick represented himself to be knowledgeable, a qualified professional investor and day  
25 trader. To substantiate these claims Zubick or his associates presented false documents including IRS  
26 K-1 tax forms and altered brokerage account statements to create the illusion that investors were  
27 making money by having Zubick managing their investments. Zubick claimed to have accounts at  
28 brokerage firms such as Charles Schwab & Co., A. B. Watley Direct, Inc., and Interactive Brokers.

1           8. Zubick's clients acquired in this manner were unsophisticated individuals with minimal  
2 or no investment experience or average working persons of limited means. Zubick sought investors  
3 and their funds by means of associates or "finders." Zubick paid associates or finders "consulting  
4 fees" for locating persons who subsequently provided their investment funds to Zubick or his entities.

5           9. The approximately \$14 million entrusted to Zubick from investors in some cases was  
6 intended to fund college tuition or set aside to cover living expenses after an investor's retirement.

7           10. Investors were led to believe the securities Zubick purchased for their account were to be  
8 held at the investment firm of A. B. Watley Direct, Inc., or other firms including, but not limited to,  
9 Charles Schwab & Co. and Interactive Brokers. In fact, investors' funds were used to support a  
10 lavish lifestyle for Zubick and his family including the purchase of a 2006 Ferrari, a membership at  
11 the Tehama Golf Club, a time-share for jet travel, real estate in California and Coeur d'Alene, Idaho,  
12 private schools for Zubick's four children, a large boat and jewelry.

13           11. The investments offered by Zubick in the form of interests or units in limited  
14 partnerships or limited liability companies and investment contracts constitute securities. These non-  
15 exempt securities were required to be but were not qualified under the Corporate Securities Law.

16           12. Zubick's activities effecting transactions in securities occurred during a time he did not  
17 possess a broker-dealer certificate from the Department of Corporations authorizing him to conduct  
18 business as such in California.

19           13. Zubick's investment advice to California investors and receipt of compensation for these  
20 investment advisory services occurred during a time he did not possess an investment adviser  
21 certificate from the Department of Corporations or the Securities and Exchange Commission  
22 authorizing him to conduct business as an investment adviser in California.

23           14. Zubick failed to disclose the true nature of the NASD disciplinary action taken him and  
24 that he and/or his alter egos and their activities violated the Corporate Securities Law and California  
25 laws and regulations as well as SEC and NASD rules and requirements.

26           15. Zubick misrepresented to investors the location and the amount of their investment funds  
27 and failed to disclose his misappropriation of investors' funds for the benefit of himself and his  
28 family. Zubick also failed to disclose to investors that he personally filed for bankruptcy in 1996.

1           Based upon the foregoing findings, the Commissioner is of the opinion that the activities  
2 of William Jay Zubick, also known as Jay Zubick, and Zubick Holdings, Ltd., Zubick Holdings,  
3 LLC, Zubick Capital Partners, L.P. Zubick Capital Partners II, L.P., Sunrise Capital Partners,  
4 L.P., and Sunrise Capital Partners LLC, or others acting in concert participation with them,  
5 involve offers or sales of securities in California that are subject to qualification under the  
6 Corporate Securities Law, without such offers or sales first being qualified or exempt, in violation  
7 of Corporations Code section 25110.

8           The Commissioner is also of the opinion that William Jay Zubick, also known as Jay  
9 Zubick, and Zubick Holdings, Ltd., Zubick Holdings, LLC, Zubick Capital Partners, L.P. Zubick  
10 Capital Partners II, L.P., Sunrise Capital Partners, L.P., and Sunrise Capital Partners LLC, or  
11 others acting in concert participation with them, offered or sold securities in this State by means of  
12 written or oral communications which included an untrue statement of a material fact or omitted to  
13 state a material fact necessary in order to make the statements made, in the light of the  
14 circumstances under which they were made, not misleading, in violation of Corporations Code  
15 section 25401.

16           Further, the Commissioner is of the opinion that William Jay Zubick, also known as Jay  
17 Zubick, and Zubick Holdings, Ltd., Zubick Holdings, LLC, Zubick Capital Partners, L.P., Zubick  
18 Capital Partners II, L.P., Sunrise Capital Partners, L.P., and Sunrise Capital Partners LLC, or others  
19 acting in concert participation with them, conducted business as a broker-dealer in California  
20 without having first applied for and secured a certificate, then in effect, from the Commissioner  
21 authorizing such activities in violation of section 25210 of the California Corporations Code.

22           Lastly, the Commissioner is of the opinion that William Jay Zubick, also known as Jay  
23 Zubick, and Zubick Holdings, Ltd., Zubick Holdings, LLC, Zubick Capital Partners, L.P., Zubick  
24 Capital Partners II, L.P., Sunrise Capital Partners, L.P., and Sunrise Capital Partners LLC, or  
25 others acting in concert participation with them, conducted business as an investment adviser in  
26 California without having first applied for and secured a certificate, then in effect, from the  
27 Commissioner authorizing such activities in violation of section 25230 of the California  
28 Corporations Code.

1 Pursuant to section 25532 of the Corporations Code William Jay Zubick, also known as Jay  
2 Zubick, and Zubick Holdings, Ltd., Zubick Holdings, LLC, Zubick Capital Partners, L.P., Zubick  
3 Capital Partners II, L.P., Sunrise Capital Partners, L.P., and Sunrise Capital Partners LLC, and  
4 others acting in concert or participation with them, are hereby ordered to:

- 5 1. Desist and refrain from the further offer or sale of securities including interests  
6 or units in limited partnerships and limited liability companies, investment  
7 contracts, and any other securities unless and until the offers and sales have been  
8 duly qualified under the Corporate Securities Law or unless exempt;
- 9 2. Desist and refrain from offering or selling or buying or offering to buy any  
10 security in the State of California by means of any written or oral communication  
11 which includes an untrue statement of a material fact or omits to state a material  
12 fact necessary in order to make the statements made, in the light of the  
13 circumstances under which they were made, not misleading;
- 14 3. Desist and refrain from conducting business as a broker-dealer in the State  
15 of California, unless and until granted a certificate by the California  
16 Corporations Commissioner under said law or unless exempt; and
- 17 4. Desist and refrain from conducting business as an investment adviser in the  
18 State of California, unless and until granted a certificate by the California  
19 Corporations Commissioner under said law or unless exempt.

20 This Order is necessary, in the public interest, for the protection of investors and consistent  
21 with the purposes, policies and provisions of the Corporate Securities Law of 1968.

22 Dated: March 30, 2007  
23 Los Angeles, California

24 PRESTON DuFAUCHARD  
25 California Corporations Commissioner

26 By \_\_\_\_\_  
27 ALAN S. WEINGER  
28 Lead Corporations Counsel  
Enforcement Division