

1 WAYNE STRUMPFER
Acting California Corporations Commissioner
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Acting Deputy Commissioner
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7 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

11	In the Matter of)	CASE NO.
12	THE CALIFORNIA CORPORATIONS)	FILE NO. 923-3308
13	COMMISSIONER,)	ORDER LEVYING ADMINISTRATIVE
14	Complainant,)	PENALTIES PURSUANT TO
15	v.)	CORPORATIONS CODE SECTION 25252
16	MELVIN DE LA MOTTE, JR., DBA)	
17	DE LA MOTTE INVESTMENT SERVICES,)	
18	Respondent.)	
19)	

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21 TO: Melvin A. De La Motte, Jr.
1239 Higuera Street
22 San Luis Obispo, CA 93401

23 Wayne Strumpfer, the Acting California Corporations Commissioner ("Commissioner") of
24 the Department of Corporations ("Department") finds that:

- 25 1. Melvin A. De La Motte, Jr., dba De La Motte Investment Services ("De La Motte")
- 26 holds a valid and unrevoked investment adviser certificate issued by the Commissioner pursuant to
- 27 Corporations Code section 25230 on June 19, 1996. De La Motte's investment adviser business is
- 28

1 located at 1239 Higuera Street, San Luis Obispo, California 93401. De La Motte is a sole
2 proprietorship that is owned by Melvin A. De La Motte, Jr.

3 2. On or about June 9, 2003, the Department commenced a regulatory examination of De
4 La Motte's investment adviser business. The examination revealed violations of the books and
5 records provisions of the Corporate Securities Law of 1968, Corporations Code section 25000 et
6 seq., and the regulations found at California Code of Regulations, title 10, section 260.000 et seq.

7 3. These violations consisted of De La Motte's failure to keep true, accurate and current
8 books and records, including: 1) failing to maintain a general ledger accounting system in violation
9 of California Code of Regulations, title 10, section 260.241.3, subdivision (a)(2); and 2) failing to
10 file its annual financial reports in violation of California Code of Regulations, title 10, section
11 260.241.2, subdivision (a).

12 4. On May 10, 2005, a hearing was held at the Office of Administrative Hearings. On
13 July 1, 2005, Judge Ralph B. Dash issued a Proposed Decision. On October 21, 2005, the
14 Commissioner issued an Order Rejecting the Proposed Decision and pursuant to Government Code
15 section 11517, subdivision (c)(2)(D), the matter was remanded to the judge to take further evidence.
16 On November 18, 2005, the parties stipulated that, rather than taking additional evidence, Judge
17 Dash could issue his Proposed Decision After Remand based on the transcript of the May 10, 2005
18 hearing and all exhibits submitted. On January 9, 2006, Judge Dash issued a Proposed Decision
19 After Remand ordering the Commissioner's Order Levying Administrative Penalties is affirmed and
20 that De La Motte shall pay to the Department penalties totaling \$1,500 at such time and in such
21 manner as the Department, in its discretion, may direct. On February 10, 2006, the Department
22 adopted the Proposed Decision After Remand as its Decision, with a technical and minor change
23 pursuant to Government Code Section 11517, subdivision (c)(2)(C).

24 WHEREFORE, good cause showing, and pursuant to Corporations Code section 25252, the
25 Commissioner finds that De La Motte has willfully violated California Code of Regulations, title 10,
26 sections 260.241.3, subdivision (a)(2) and 260.241.2, subdivision (a) and hereby orders De La Motte
27 to pay the Commissioner administrative penalties in the amount of \$1,500.00. The penalty amount
28 of \$1,500.00 shall be paid within **fifteen days** of the date of this Order, otherwise, De La Motte will

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be deemed by the Commissioner to be in violation of this Order and may be subject to further action as provided for by law.

Dated: February 23, 2006

WAYNE STRUMPFER
Acting California Corporations Commissioner

By: _____
ALAN S. WEINGER
Acting Deputy Commissioner
Enforcement