

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**STATE OF CALIFORNIA**  
**BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**  
**DEPARTMENT OF BUSINESS OVERSIGHT**

**TO: David Flores Valencia**  
920 Saratoga Ave, Suites 107 and 209  
San Jose, CA 95129

**AMENDED DESIST AND REFRAIN ORDER**  
**(For violations of section 25110 and 25210 of the Corporate Securities Law of 1968)**

The California Commissioner of Business Oversight finds that:

1. At all relevant times, David Flores Valencia (hereinafter, “Valencia”), a natural person, was a resident of California.
2. Valencia holds a license with the California Department of Insurance for Life-Only, Accident and Health, and variable contracts with an expiration date of March 31, 2015: license number 0B50488.
3. Valencia is also registered with FINRA: CRD no. 2696407. His FINRA disclosures show that he was last employed as a registered representative of a licensed securities broker dealer, Capital Financial Services, Inc., from October, 2005, to December, 2006. However, he has not been employed by any other licensed securities broker dealer since December, 2006.
4. Beginning in or about January, 2007, after Valencia left Capital Financial Services, Inc., and continuing until September, 2010, Valencia offered and sold securities in the State of California in the form of life settlement contracts for a Texas company named Life Partners, LLC (hereinafter, “Life Partners”). These securities were offered in issuer transactions. The Life Settlement securities were neither qualified under section 25110 *et seq* of the California Corporate Securities Law of 1968 (“CSL”)<sup>1</sup>, nor exempt from the qualification requirement.

<sup>1</sup> The California Corporate Securities Law of 1968 is found at Corporations Code section 25000 *et seq*.

1 5. Valencia offered and/or sold the above-described securities to more than 10 California  
2 investors, for a total of over \$1,400,000.00.

3 6. During all relevant time periods, Valencia did not have a valid broker-dealer certificate issued  
4 by the California Department of Business Oversight (formerly the Department of Corporations) or the  
5 United States Securities Exchange Commission. Rather, Life Partners provided him with a Life  
6 Partners "License" and license number to sell their securities as an independent.

7  
8 Based upon the foregoing findings, the California Commissioner of Business Oversight is of  
9 the opinion that the securities offered and sold by Valencia, in the form of Life Partners' life  
10 settlement contracts, are securities subject to qualification under the CSL and are being or have been  
11 offered or sold without being qualified in violation of section 25110 of the CSL. Pursuant to section  
12 25532 of the CSL, David Flores Valencia is hereby ordered to desist and refrain from the further  
13 offer or sale in the State of California of securities, including, but not limited to, life settlement  
14 contracts, until qualification has been made under the law, unless exempt.

15  
16 Further, again based upon the foregoing findings, the California Commissioner of Business  
17 Oversight is of the opinion that Valencia has effected transactions in securities as a broker-dealer  
18 without having first applied for and secured from the Commissioner a certificate authorizing him to  
19 act in that capacity, in violation of section 25210 of the CSL. Pursuant to section 25532 of the CSL,  
20 David Flores Valencia is hereby ordered to desist and refrain from effecting any transaction in, or  
21 inducing or attempting to induce the purchase or sale of, any security in this state, unless he has  
22 applied for and secured from the Commissioner a certificate, then in effect, authorizing him to act in  
23 that capacity, unless exempt.

24 ///

25 ///

26 ///

27 ///

28 ///

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

3  
4 DATED:       October 29, 2013  
5               Sacramento, California

Commissioner of Business Oversight

6  
7  
8 \_\_\_\_\_  
9 MARY ANN SMITH  
10 Deputy Commissioner  
11 Enforcement Division  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28