

1 6. Polanco and Nevarez told investors that their money would be used to purchase short-
2 sale properties in “cash-for-keys” real estate transactions, which Polanco and Nevarez stated they
3 would later “flip for a large profit.” Polanco and Nevarez told investors that they could withdraw
4 their investment at any time and would receive their principal investment back in the form of a
5 cashier’s check. The purported purpose of the offering was to raise funds for further investment in
6 Pacific West Home’s real estate investment program. Polanco directed investors to make their
7 checks payable to Nevarez’s company, 3 Spot Marketing.

8 7. A “cash-for-key” transaction is a transaction in which a lender advances money to a
9 borrower undergoing foreclosure, such as a tenant’s security deposit or moving expenses, as an
10 incentive to facilitate the borrower’s early move out and return of the keys to the foreclosed property
11 to the lender so as to avoid formal legal eviction proceedings.

12 8. When Polanco and Nevarez’s reported to investors that their attempts to purchase
13 distressed properties were unsuccessful, the investors requested a return of their investment. Nevarez
14 told investors that their money had been given to the homeowners with whom they negotiated so the
15 homeowners could vacate the homes. To date, investors have not received the “large profits”
16 Polanco and Nevarez promised.

17 9. These securities were offered or sold in this state in issuer transactions. The
18 Department of Business Oversight has not issued a permit or other form of qualification authorizing
19 any person to offer or sell these securities in this state.

20 10. In connection with the offer and sale of these securities, Polanco and Nevarez made
21 material misrepresentations of facts and omitted to state material facts necessary in order to make the
22 statements made, in the light of the circumstances under which they were made, not misleading.

23 These misrepresentations and omissions included, but are not limited to, the following:

24 A. Polanco and Nevarez told investors their funds would be used to
25 purchase real estate in short-sale transactions, in which they would “flip” the homes for a profit,
26 when investor funds were not used for that purpose.

27 B. Polanco and Nevarez told investors that they would receive a “large
28 profit” on their investments and if they wanted out of the deal at any point they would be repaid their

1 principal investment in the form of a cashier’s check. However, investors never received any profit or
2 return of their principal investment when the investors asked for their money back.

3 Based upon the foregoing findings, the Commissioner of Business Oversight is of the opinion
4 that the securities in the form of investment contracts were offered and sold in this state by Zak
5 Investments, Pacific West, Polanco, and Nevarez by means of written or oral communications which
6 included an untrue statement of a material fact or omitted to state a material fact necessary in order to
7 make the statements made, in the light of the circumstances under which they were made, not
8 misleading, in violation of section 25401 of the Corporate Securities Law of 1968.

9 Pursuant to section 25532 of the Corporate Securities Law of 1968, Zak Investments, Inc.;
10 Jaime Polanco; Pacific West Homes & Investments, Inc.; and Walter Steven Nevarez Db a 3 Spot
11 Marketing are hereby ordered to desist and refrain from offering or selling or buying or offering to
12 buy any security in the State of California, including but not limited to securities in the form of
13 investment contracts by means of any written or oral communication which includes an untrue
14 statement of a material fact or omits to state a material fact necessary in order to make the statements
15 made, in the light of the circumstances under which they were made, not misleading.

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

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19 Dated: October 30, 2018
20 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

21 By _____
22 MARY ANN SMITH
23 Deputy Commissioner
24 Enforcement Division
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