

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 ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING, SECURITIES, AND CORPORATIONS
P.O. BOX 110807
JUNEAU, AK 99811-0807

In the Matter of:
Z3 Capital Corporation
Steven Zubkis, President

ALASKA ORDER #98-04 S
CONSENT AGREEMENT

RESPONDENT

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING, SECURITIES, AND CORPORATIONS
P.O. BOX 110807
JUNEAU, ALASKA 99811-0807

WHEREAS the Alaska Securities Act (the Act) at 45.55.030(a) requires that persons who transact business in this state as a broker dealer or agent must be registered; and

WHEREAS 3 AAC 08.060(6) prohibits the use of high pressure sales tactics to promote securities offerings; and

WHEREAS the Division of Banking, Securities and Corporations (the Division) determined that Z3 Capital Corporation (Z3) and its agents Joseph M. Martin have committed violations of the Act and regulations adopted pursuant to the Act; and

WHEREAS Steven Zubkis, President of Z3, has voluntarily halted all offers and sales of securities to Alaska residents, including capital stock of Stella Bella Corporation, USA (Stella Bella), summarily released Joseph M. Martin (Martin) from employment and has attested that only one Alaska resident has purchased securities from Z3, consisting of capital stock of Stella Bella; and

WHEREAS Z3 and Mr. Zubkis have been represented by legal counsel throughout this proceeding, or have been advised of their rights to be represented, and wish to settle these matters by entering into this consent agreement and hereby waive their rights to request a hearing as provide by 45.55.920(d); and

WHEREAS, the Administrator finds it in the public interest to resolve these matters with the adoption of this agreement; and

1 NOW, THEREFORE, Z3 and Mr. Zubkis, while neither admitting nor denying the allegations and
2 Findings of Fact, consent to enter into this agreement in settlement of the proceedings.

3
4 FINDINGS OF FACT AND CONCLUSIONS

5
6 Capital stock of Stella Bella Corp. was offered for sale to Alaska residents and sold to at least one
7 Alaska citizen by employees of Z3.
8 Z3, Martin, and other Z3 employees/agents were not registered in Alaska as required by AS
9 45.55.030(a).
10 Martin, acting as an agent for Z3, solicited Alaska residents to purchase capital stock in Stella Bella by
11 using high pressure sales techniques in violation of 3 AAC 08.060(6)

12
13
14 LAW

15
16 See Appendix A attached as part of this Order for a recitation of the referenced statutes and cited
17 regulations.

18
19 CONSENT ORDER

20
21 RESPONDENT attests and swears that only one Alaska resident is a holder of any security sold by Z3
22 or its employees/agents, consisting of capital stock of Stella Bella Corp.
23 RESPONDENT agrees not to offer or sell securities to Alaska residents until such time as the securities
24 are properly registered, exempted from registration and/or noticed pursuant to the Alaska Securities Act.
25 RESPONDENT agrees not to offer or sell securities until such time as the RESPONDENT and any
26 employees/agents are properly registered under the Act.
27
28

1 RESPONDENT agrees to offer rescission to, and refund upon request, any Alaska purchaser pursuant
 2 to the provisions of AS 45.55.930(a). The form of the rescission agreement is included as Attachment
 3 A and will be mailed to the Alaska purchaser at the time this order is accepted by Z3.
 4 RESPONDENT agrees to waive their statutory right for the opportunity to request a hearing with respect
 5 to this Consent Agreement.
 6 RESPONDENT agrees to adhere to the Act and not violate any provisions of the Act in any future
 7 transactions with Alaska residents.
 8 RESPONDENT agrees to pay \$500 to help defray the Division's costs of investigating this matter.
 9 The DIVISION agrees not to initiate any further proceedings based upon the facts known to the Division
 10 at the date of this agreement.

11
 12 Effective as of this 23rd day of February, 1998 at Juneau, Alaska.

13
 14 /s/ Willis F. Kirkpatrick
 15 Willis F. Kirkpatrick
 16 Administrator of Securities

17
 18 ACCEPTED on behalf of RESPONDENT
 19 Z3 Capital Corporation

20 /s/ Steven Zubkis 9/23/97
 Steven Zubkis, President Date

21
 22
 23
 24 Contact Person: Dennis Salvesson
 25 Securities Examiner
 26 907/465-2521
 27
 28

11

Faint, illegible text at the top of the page, possibly bleed-through from the reverse side.

A horizontal line of faint, illegible text across the middle of the page.

Handwritten text in blue ink, appearing to be a signature or name, slanted across the page.

Faint, illegible text at the bottom of the page, possibly bleed-through or very light handwriting.

Small, faint handwritten text or initials located near the bottom center of the page.