

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 2960 / December 11, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13712

In the Matter of

MOISES PACHECO,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDING
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
AND NOTICE OF HEARING

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that a public administrative proceeding be, and hereby is, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Moises Pacheco (“Pacheco” or “Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Moises Pacheco was an officer and the sole director of Advanced Money Management, Inc. (“AMM”), a Nevada corporation located in Chula Vista, California, and controlled Business Development & Consulting Co. (“BD&C”), a California corporation located in Chula Vista, California. AMM was the investment adviser to and general partner of AP Premium Value Fund I Limited-Liability LP (“AP PVF I”), a Nevada limited partnership. BD&C was the investment adviser to and managing member of AP Premium Value Fund II, LLC (“AP PVF II”), AP Premium Value Fund III, LLC (“AP PVF III”), AP Premium Value Fund IV, LLC (“AP PVF

IV”), and Capital Partnership Group, LLC (“CPG”), all of which are California limited liability companies. (AP PVF I, II, III, IV and CPA are collectively referred to herein as “the Funds.”) Through his control of AMM and BD&C, Pacheco controlled and acted as investment adviser for the Funds, including making all investment decisions on their behalf. Neither AMM, BD&C nor Pacheco was or is registered as an investment adviser under the Advisers Act. Pacheco, age 41, is a resident of Chula Vista, California.

B. ENTRY OF THE INJUNCTION

2. On November 19, 2009, a judgment of permanent injunction and other relief was entered by consent against Pacheco, permanently enjoining him from future violations of Sections 206(1), 206(2) and 206(4) of the Advisers Act or Rule 206(4)-8 thereunder, in the civil action entitled Securities and Exchange Commission v. Moises Pacheco, et al., Civil Action No. 09-CV-1355-W-RBB, in the United States District Court for the Southern District of California.

3. The Commission’s complaint alleged that, among other things, from January 2005 through June 2008, Pacheco, through AMM and BD&C, raised more than \$14.7 million from more than 200 investors in the Funds. The complaint also alleged that Pacheco told Fund investors that he had developed a lucrative investment strategy involving the purchase and sale of covered call options. Pacheco claimed that the Funds had generated returns ranging from 2.5% to 4% per month during their existence, and continued to claim that they generated returns in that range until January 2008, when he reduced the returns to 1.25% per month. In reality, from January 2005 through June 2008 – a span of 42 months – the Funds had net profits of \$367,001 on the millions of dollars under their management, a return of about 1% per year. During the same time period, the Fund paid out more than \$9.7 million in purported monthly profits to Fund investors. To bridge the enormous difference between the actual profits and the ersatz ones, Pacheco drew upon the only financial resource available to him – investor principal. Thus, Pacheco’s representations that the monthly payments were funded with trading profits were false. Pacheco failed to disclose that he had dissipated a substantial portion of investor monies through a series of illicit transfers. Specifically, the complaint alleged that in September and October 2007, Pacheco transferred a total of \$3 million from the Funds’ brokerage accounts to a third party, Vision Quest Investments, the dba of relief defendant Matthew La Madrid; that in November 2007, Vision Quest wired \$10 million, including the \$3 million provided by Pacheco, to another third party, relief defendant Palladium Holding Company; that Palladium Holding Company subsequently transferred \$5 million to a brokerage account it controlled and began exercising numerous short-sell transactions of Treasury bonds, steadily dissipating the assets in the brokerage account; and that Palladium Holding Company dispersed the remainder of the funds received from Vision Quest in a variety of ways having nothing to do with the purchase and sale of covered call options.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defense to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Pacheco pursuant to Section 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed Answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceeding may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or be certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rule of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary