

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 84483 / October 24, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18875

In the Matter of

EMILIO FRANCISCO,

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO RULE 102(e) OF THE
COMMISSION’S RULES OF PRACTICE,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Emilio Francisco (“Respondent” or “Francisco”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . attorney . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

findings contained in Section III.2 which are admitted, Respondent consents to the entry of this Order Instituting Public Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Emilio Francisco is an attorney and member of the State Bar of the State of California.
2. On December 27, 2016, the Commission filed a complaint captioned *Securities and Exchange Commission v. Emilio Francisco, et al.*, Civil Action No. 8:16-cv-02257-CJC-DFM, and a first amended complaint was filed on May 4, 2017. On October 5, 2018, the court entered an order permanently enjoining Francisco, by consent, from future violations of Section 10(b) of the Securities Exchange Act of 1934 and rule 10b-5 thereunder, and Section 17(a) of the Securities Act of 1933, and conduct-based injunctions. Francisco was ordered to pay disgorgement of \$1,826,976.52 and prejudgment interest thereon of \$116,866.83, and to pay a civil penalty of \$369,354.00.
3. The Commission's first amended complaint alleged, among other things, that Respondent and his company PDC Capital Group, LLC, engaged in a fraudulent scheme to defraud at least 131 investors in 19 different offerings out of at least \$9.5 million, beginning in January 2013 and continuing at least through September 2016. Respondent and PDC Capital made the offerings under the "EB-5 Immigrant Investor Program" administered by the U.S. Citizenship and Immigration Service ("USCIS"). Francisco and PDC Capital made offerings for investments in assisted living facilities, restaurants, and a packaging facility, by selling limited partnership units for a \$500,000 capital contribution, plus a \$45,000 to \$55,000 administration fee. Respondent and PDC Capital expressly represented that an investor's entire \$500,000 capital contribution would be used to develop the specific project, and that only the administration fees would be available to pay expenses of the limited partnership until the project was completed. The first amended complaint further alleged that Francisco and PDC Capital misappropriated at least \$9.5 million of investors' capital contributions to support their business, pay marketing expenses, and support a luxury lifestyle. The first amended complaint further alleged that Francisco and PDC Capital engaged in a scheme to defraud investors, commingled funds among different projects, and misrepresented to investors that their capital contributions would be used for the designated purposes stated in the offering materials.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Francisco's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

A. Emilio Francisco is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.

Brent J. Fields
Secretary