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Texas State Securities Board

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E. WALLY KINNEY
MEMBER

IN THE MATTER OF
808 INVESTMENTS, LLC; 808 ENERGY,
LLC; SOUTHERN PACIFIC ENERGY, INC.;
PATRICK S. CARTER; ANDREW
CORDOVA; AND GLENN KANEKO

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Order No. **ENF-09-CDO-1670**

TO: 808 Investments, LLC
5011 Argosy Avenue, Suite 4
Huntington Beach, CA 92649

Patrick S. Carter
5011 Argosy Avenue, Suite 4
Huntington Beach, CA 92649

808 Energy, LLC
5011 Argosy Avenue, Suite 4
Huntington Beach, CA 92649

Andrew Cordova
5011 Argosy Avenue, Suite 4
Huntington Beach, CA 92649

Southern Pacific Energy, Inc.
386 South Burnside Avenue, #J
Los Angeles, CA 90036

Glenn Kaneko
386 South Burnside Avenue #J
Los Angeles, CA 90036

EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("Securities Commissioner") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2008) ("Texas Securities Act").

The Staff of the Enforcement Division ("the Staff") of the Texas State Securities Board ("the Securities Board") has presented evidence sufficient for the Securities Commissioner to find that:

FINDINGS OF FACT

1. 808 Investments, LLC ("Respondent 808 Investments") maintains a last known address at 5011 Argosy Avenue, Suite 4, Huntington Beach, California 92649. Respondent 808 Investments purports to be an investment banking firm that strives to help America reduce its dependence on foreign oil.

2. 808 Energy, LLC (“Respondent 808 Energy”) maintains a last known address at 5011 Argosy Avenue, Suite 4, Huntington Beach, California 92649. Respondent 808 Energy purports to be an investment company.
3. Southern Pacific Energy, Inc. (“Respondent Southern Pacific”) maintains a last known address at 386 South Burnside Avenue, #J, Los Angeles, California 90036.
4. Patrick S. Carter (“Respondent Carter”) maintains a last known address at 5011 Argosy Avenue, Suite 4, Huntington Beach, California 92649. He is the CEO of Respondent 808 Investments and the President of Respondent 808 Energy.
5. Andrew Cordova (“Respondent Cordova”) maintains a last known address at 5011 Argosy Avenue, Suite 4, Huntington Beach, California 92649. He is a Senior Advisor of Respondent 808 Energy.
6. Glenn Kaneko (“Respondent Kaneko”) maintains a last known address at 386 South Burnside Avenue #J, Los Angeles, California 90036. He is the President of Respondent Southern Pacific.
7. Respondents are making available the opportunity for investors in Texas to purchase units that consist of 25,000 Series A Common Membership Shares in Respondent 808 Energy for \$25,000.00 per unit. This offering is being made pursuant to an agreement between Respondent 808 Investments and Respondent Southern Pacific, the terms of which are as follows:
 - A. Respondent Southern Pacific was the original owner of both Respondent 808 Energy and a co-generation power plant;
 - B. Respondent Southern Pacific engaged Respondent 808 Investments to act as a “financial fund raiser” by raising capital for Respondent Southern Pacific through the sale of investments;
 - C. Respondent 808 Investments was authorized to transfer a predetermined amount of capital to Respondent Southern Pacific, at which time Respondent Southern Pacific was required to transfer ownership of the co-generational power plant to Respondent 808 Energy; and
 - D. Respondent 808 Investments was thereafter required to provide Respondent Southern Pacific with additional funds raised from investors. Respondent Southern Pacific was required to transfer ownership interests to Respondent 808 Investments to be used in connection with the solicitation of investments.

8. Investors are also being told that the co-generation power plant is being leased to a third party and that investors will receive a profit from payments made by the third party pursuant to the terms of the lease.
9. The units have not been registered by qualification, notification or coordination and no permit has been granted for their sale in Texas.
10. Respondents have not been registered with the Securities Commissioner as dealers or agents at any time material hereto.
11. In connection with the offer for sale of the units, Respondents 808 Investments, 808 Energy, Carter and Cordova are misrepresenting the relevant fact that the proceeds of the offering will be used to acquire and operate a co-generation power plant that is currently leased to a third party under terms that provide for a "10-year payment commitment," when in fact the following is true:
 - A. The parties to the lease of the co-generation power plant are the third party and Respondent Southern Pacific Energy, Inc., and the lease may not be assigned to anyone other than a lender or affiliate of the parties.
 - B. The lease was entered into in 2005, has a term of seven years, and is subject to termination for cause on thirty days written notice. The third party has the right, but not the obligation, to extend the lease for an additional three years.
12. In connection with the offer for sale of the units, Respondents 808 Investments, 808 Energy and Carter are intentionally failing to disclose the following material facts:
 - A. The co-generation plant is subject to an existing lien.
 - B. Respondent Carter is the subject of a tax lien in the amount of \$18,130.26 filed by the State of California Franchise Tax Board on or about October 9, 2008, in Orange County, California.
13. Respondents 808 Investments, 808 Energy and Cordova are encouraging prospective investors in Texas to solicit others to purchase units in Respondent 808 Energy in exchange for a "finder's fee." This statement is materially misleading or otherwise likely to deceive the public because the Texas Securities Act requires that entities and individuals be registered as a dealer or agent before engaging in the offer for sale and sale of securities.
14. Respondents 808 Investments, 808 Energy, Carter and Cordova are representing that Respondent Carter holds Series 3, 7 and 66 licenses. Respondents 808 Investments, 808 Energy and Carter are also directing prospective investors to the Financial Industry Regulatory Association ("FINRA"),

a non-governmental self-regulatory organization. Respondents 808 Investments, 808 Energy and Carter are representing that FINRA does not maintain any record of any customer complaints against Respondent Carter. These statements are materially misleading or otherwise likely to deceive the public because Respondent Carter is not registered with the Securities Commissioner to sell securities in Texas.

CONCLUSIONS OF LAW

1. The units in Respondent 808 Energy are “securities” as that term is defined by Section 4.A of the Texas Securities Act.
2. Respondents are violating Section 7 of the Texas Securities Act by offering securities for sale in Texas at a time when the securities are not registered with the Securities Commissioner.
3. Respondents are violating Section 12 of the Texas Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Texas Securities Act.
4. Respondents 808 Investments, 808 Energy, Carter and Cordova are engaging in fraud in connection with the offer for sale of securities.
5. Respondents 808 Investments, 808 Energy, Carter and Cordova are making offers containing statements that are materially misleading or otherwise likely to deceive the public.
6. Respondents’ conduct, acts, and practices threaten immediate and irreparable public harm.
7. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Texas Securities Act.

ORDER

1. It is therefore ORDERED that Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from acting as securities dealers or agents in Texas until Respondents are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.

3. It is further ORDERED that Respondents 808 Investments, 808 Energy, Carter and Cordova immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
4. It is further ORDERED that Respondents 808 Investments, 808 Energy, Carter and Cordova immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Pursuant to Section 23-2 of the Texas Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Texas Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Texas Securities Act is a criminal offense punishable by a fine of not more than \$5,000, or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 2nd day of April, 2009.


DENISE VOIGT CRAWFORD
Securities Commissioner