STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

IN THE MATTER OF DETERMINING Whether there has been a violation of the Securities Act of Washington by:

Order Number S-04-026-04-TO01

CULINARY COMMUNION, LLC; GABRIEL CLAYCAMP; and HEIDI KENYON, SUMMARY ORDER TO CEASE AND DESIST, AND NOTICE OF INTENT TO IMPOSE FINES AND ORDER AFFIRMATIVE RELIEF

Respondents.

THE STATE OF WASHINGTON TO:

Culinary Communion, LLC Gabriel Claycamp Heidi Kenyon

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STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents, Culinary Communion, LLC; Gabriel Claycamp; and Heidi Kenyon have each violated the Securities Act of Washington ("Securities Act") and that their violations justify the entry of an Order of the Securities Administrator under RCW 21.20.390 against each to cease and desist from such violations and under RCW 21.20.395 to impose fines. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

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DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033

SUMMARY ORDER TO CEASE AND DESIST AND NOTICE OF INTENT TO IMPOSE FINES AND ORDER AFFIRMATIVE RELIEF

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TENTATIVE FINDINGS OF FACT

Respondents

- 1. Culinary Communion, LLC ("Culinary Communion") is a Washington limited liability company with a principal place of business at 4122 SW Southern St., Seattle, WA 98136-2344.
- Gabriel Claycamp ("Claycamp") is Director of Operations of Culinary Communion.
- 3. Heidi Kenyon ("Kenyon") is Director of Communications of Culinary Communion. Kenyon is married to Claycamp and resides with him in Seattle, Washington.

Nature of the Offering

- 4. Culinary Communion operates as a school for the culinary arts, offering classes in Seattle, Washington. Culinary Communion maintains a website located at www.culinarycommunion.com, that is available to residents of Washington. As of January 2004, the website included a link labeled "Invest in Us" that encouraged interested persons to contact the company by telephone or email.
- 5. In January 2004, a Washington resident contacted Culinary Communion by email, and requested information about investing with the company. Kenyon subsequently sent offering and promotional materials to the resident, including an unsigned convertible promissory note, and correspondence from Claycamp and Kenyon.
- 6. In February 2004, Kenyon spoke to a Washington resident by telephone and offered to sell him a convertible promissory note on behalf of Culinary Communion. Kenyon stated that a \$25,000 investment would earn 10% interest per year for five years, payable on a

quarterly basis. Offering materials provided to the resident stated that an investment of \$5,000 would generate a return of 50% over five years.

7. On February 4, 2004, the Pennsylvania Securities Commission issued a Summary Order to Cease and Desist against Culinary Communion, Claycamp, and Kenyon to halt the offer and sale of unregistered securities in Pennsylvania.

Misrepresentations and Omissions

- 8. In the offer and sale of the Culinary Communion convertible promissory notes, Respondents failed to disclose material information, including, but not limited to, the specific use of investor proceeds, their experience and track record in investment programs, the basis and source of payment for the projected returns on the investment, and the compensation Claycamp and Kenyon would receive.
- 9. Respondents also failed to disclose the risks of the investment and misrepresented the safety and risk involved in the investment. The offering materials distributed by the Respondents contained no discussion of the risk factors involved in the investment. The Respondents also distributed a business plan that described Culinary Communion as a "lowrisk" investment. When asked about risk factors, Kenyon told a Washington resident that risk was "almost nil."

Registration Status

10. The offering of Culinary Communion convertible promissory notes is not currently and has not previously been registered under the Securities Act and no notification of exemption is on file with the Securities Administrator of the State of Washington.

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11. Neither Claycamp, nor Kenyon, is currently registered as a securities salesperson or broker-dealer in the State of Washington and neither has previously been so registered.

Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

- 1. The offer and/or sale of Culinary Communion convertible promissory notes by Respondents, as set forth in the above in the Tentative Findings of Fact, constitutes the offer and/or sale of a security, as defined in RCW 21.20.005(10) and (12).
- 2. Culinary Communion, Claycamp, and Kenyon have each violated RCW 21.20.010 because, in connection with the offer or sale of Culinary Communion convertible promissory notes, they each made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
- 3. Culinary Communion, Claycamp, and Kenyon have each violated RCW 21.20.140, the securities registration provision of the Securities Act, because they offered and/or sold securities for which there was no registration on file with the Securities Administrator, and it appears that they do not otherwise qualify for an exemption from registration.
- 4. Claycamp and Kenyon have each violated RCW 21.20.040, the salesperson registration provision of the Securities Act, because they offered and/or sold Culinary Communion convertible promissory notes while not registered as securities salespersons or broker/dealers in the State of Washington.

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5. The Securities Administrator finds and concludes that an emergency exists, that the continued violations of RCW 21.20.010, RCW 21.20.140, and RCW 21.20.040, constitutes a threat to the investing public. Accordingly, a Summary Order to Cease and Desist from those violations is in the public interest and necessary for the protection of the investing public.

SUMMARY ORDER

Based upon the foregoing, IT IS THEREFORE HEREBY SUMMARILY ORDERED that Respondents, Culinary Communion, Claycamp, and Kenyon, and their agents, employees, and representatives, shall each cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act.

It is further SUMMARILY ORDERED that Respondents, Culinary Communion, Claycamp, and Kenyon, and their agents, employees, and representatives, shall each cease and desist from violating RCW 21.20.140, the securities registration section of the Securities Act.

It is further SUMMARILY ORDERED that Respondents, Claycamp and Kenyon shall each cease and desist from violating RCW 21.20.040, the securities broker-dealer and securities salesperson registration section of the Securities Act.

NOTICE OF INTENT TO IMPOSE FINES

Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that Respondents have committed a knowing or reckless violation of the Securities Act such that the imposition of a fine is required. Therefore, the Securities Administrator intends to order that Respondents Culinary Communion, Claycamp, and Kenyon, shall be jointly and severally liable for and shall pay a fine in the amount of \$10,000.

NOTICE OF INTENT TO ORDER AFFIRMATIVE RELIEF

Pursuant to RCW 21.20.390, and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that affirmative action is warranted to correct the conditions resulting from Respondents' violations. Therefore, the Securities Administrator intends to order that Respondents Culinary Communion, Claycamp, and Kenyon, shall be liable for and shall provide appropriate affirmative action, including, without limitation, a requirement to pay the costs, fees, and other expenses incurred in the conduct of this investigation.

AUTHORITY AND PROCEDURE

This Order is entered pursuant to the provisions of RCW 21.20.390, and RCW 21.20.395, and is subject to the provisions of the Administrative Procedures Act, RCW 34.05. The Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. A request for a hearing should be in writing and should be sent to Michael E. Stevenson, Securities Administrator, Department of Financial Institutions, P.O. Box 9033, Olympia, WA 98507-9033.

If a Respondent does not make a timely hearing request, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and make the Summary Order to Cease and Desist permanent as to that Respondent and impose the fine and affirmative relief as set forth.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

Dated and Entered this 11th day of June, 2004 1 2 3 4 Michael E. Stevenson 5 Securities Administrator 6 Approved by: Presented by: Martin Cordell 7 8 Martin Cordell Robert Kondrat Financial Legal Examiner Chief of Enforcement 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24

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AFFIRMATIVE RELIEF