

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING ) Order No. S-07-532-14-FO01  
Whether there has been a violation of the )  
Securities Act of Washington by: )  
EJZ Investments, LLC and Ernest John Zoller ) FINAL ORDER AS TO EJZ INVESTMENTS, LLC AND  
a.k.a. Ernest J. Zoller, ) ERNEST JOHN ZOLLER a.k.a. ERNEST J. ZOLLER  
Respondents. )

I. DIRECTOR'S CONSIDERATION

A. Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington ("Director") pursuant to RCW 34.05.464. On December 27, 2007, Director, through the Securities Administrator, Michael E. Stevenson, entered a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist and to Charge Costs and Impose Fines, S-07-532-07-SC01, ("Statement of Charges") against EJZ Investments, LLC and Ernest John Zoller a.k.a. Ernest J. Zoller.

The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing and an Application for Adjudicative Hearing, were served on Respondents, EJZ Investments, LLC and Ernest John Zoller a.k.a. Ernest J. Zoller, on February 15, 2008. Respondents, EJZ Investments, LLC and Ernest John Zoller a.k.a. Ernest J. Zoller, submitted a request for an Application for Adjudicative Hearing on February 22, 2008.

On, October 1, 2013, OAH issued a Notice of Prehearing Conference from ALJ Steven C. Smith. The Notice of Prehearing Conference contained the following language: "**You must participate in the conference. If you do not, a default may be entered. This means that you lose the opportunity to further challenge the agency action.**" RCW 34.05.440."

On October 17, 2013, the Department's representative, Assistant Attorney General Jeffrey G. Rupert, attended the prehearing conference by telephone, but Respondent EJZ Investments, LLC failed to appear or otherwise contact OAH. On October 24, 2013, ALJ issued an Order of Default against EJZ Investments, LLC and dismissed the EJZ Investments, LLC's appeal.

1 On October 22, 2013, OAH issued a Notice of Resetting of Telephonic Prehearing Conference to Respondent  
2 Ernest J. Zoller from ALJ Steven C. Smith. The Notice of Prehearing Conference contained the following language:  
3 **“You must participate in the conference. If you do not, a default may be entered. This means that you lose the  
4 opportunity to further challenge the agency action. RCW 34.05.440.”**

5 On November 14, 2013, the Department’s representative, Assistant Attorney General Jeffrey G. Rupert,  
6 attended the prehearing conference by telephone, but Respondent Ernest J. Zoller failed to appear or otherwise contact  
7 OAH. On November 22, 2013, ALJ Steven C. Smith issued an Order of Default against Ernest J. Zoller and dismissed  
8 his appeal.

9 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents EJZ Investments, LLC and Ernest John Zoller  
10 a.k.a. Ernest J. Zoller had twenty (20) days from the date of service of the Order of Default to file a Petition for  
11 review. Respondents EJZ Investments, LLC and Ernest John Zoller a.k.a. Ernest J. Zoller did not file a Petition for  
Review during the statutory period.

12 B. Record on Review. The record presented to the Director for his review and for entry of a final  
13 decision included the following:

- 14 1. Statement of Charges, with documentation of service;
- 15 2. Application for Adjudicative hearing for EJZ Investments, LLC and Ernest J. Zoller;
- 16 3. Notice of Prehearing Conference, dated October 1, 2013, with certificate of service;
- 17 4. Notice of Resetting of Telephonic Prehearing Conference, dated October 22, 2013, with  
18 certificate of service;
- 19 5. Order of Default for EJZ Investments, LLC, dated October 24, 2013, with certificate of  
20 service; and
- 21 6. Order of Default for Ernest J. Zoller, dated November 22, 2013, with certificate of service.

22 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.461, the Director hereby adopts the  
23 Statement of Charges, which is attached hereto.  
24

II. FINAL ORDER

Based on the foregoing and the Director having considered the record and being otherwise fully advised,

NOW, THEREFORE:

A. IT IS HEREBY ORDERED that:

1. Respondents, EJZ Investments, LLC and Ernest John Zoller a.k.a. Ernest J. Zoller, shall each cease and desist from further violations of RCW 21.20.010; RCW 21.20.040 and RCW 21.20.140.
2. Respondents, EJZ Investments, LLC and Ernest John Zoller a.k.a. Ernest J. Zoller, shall each be liable for and pay a fine of Five Thousand Dollars (\$5,000).
3. Respondents, EJZ Investments, LLC and Ernest John Zoller a.k.a. Ernest J. Zoller, shall each be liable for and shall pay costs of One Thousand Dollars and Five Hundred Dollars (\$1,500) for the investigation of their violations of the Securities Act of Washington, chapter 21.20. RCW.

B. Reconsideration. Pursuant to RCW 34.05.470, the Respondents have the right to file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written notice specifying the date by which it will act on a petition.

C. Stay of Order. The Director has determined not to consider a Petition to Stay the effectiveness of this order. Any such request should be made in connection with a Petition for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

D. Judicial Review. Respondents have the right to petition the superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a Petition for Judicial Review, see RCW 34.050.510 and sections following.

1 E. Non-compliance with Order. If you do not comply with the terms of this order, the Department  
2 may seek its enforcement by the Office of the Attorney General to include the collection of fines and fees imposed  
3 herein.

4 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial Review,  
5 service is effective upon deposit of this order in the U.S. Mail, declaration of service attached hereto.

6 DATED this 30th day of February 2014.



STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

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SCOTT JARVIS, Director  
Washington State Department of Financial Institutions