

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING) Order No.: S-12-0927-12-SC01
5 Whether there has been a violation of the)
6 Commodity Transaction Act of Washington by:) STATEMENT OF CHARGES AND NOTICE OF INTENT
7) TO ENTER ORDER TO CEASE AND DESIST AND
8) IMPOSE FINES
9 Annette Blanchard,)
10)
11)
12 Respondent.)

13 **THE STATE OF WASHINGTON TO:** **Annette Blanchard**

14 **STATEMENT OF CHARGES**

15 Please take notice that the Securities Administrator of the state of Washington has reason to believe that
16 Respondent, Annette Blanchard, has violated the Commodity Transaction Act of Washington and that her violations
17 justify the entry of an order of the Securities Administrator under RCW 21.30.120 to cease and desist from such
18 violations. The Securities Administrator finds as follows:

19 **TENTATIVE FINDINGS OF FACT**

20 **I.**

21 Parties

22 1. Annette Blanchard (“Blanchard”) is a resident of Washington State. She was a resident of Washington State
23 at all times relevant to this Statement of Charges.

24 **II.**

25 Nature of the Offering

1 On or about August of 2011, Investor A, a Washington resident, met Blanchard when she came into a FedEx
2 location in Seattle, Washington, where Investor A worked at the time. Investor A inquired into Blanchard’s business
3 at the FedEx location, and Blanchard informed Investor A that she was receiving deliveries of Iraqi Dinar that she had
4 purchased from a dealer in New England. She said that she bought Iraqi Dinar because she believed that the currency
5 would appreciate in value considerably when the currency was revalued, which she projected would occur soon. At

1 the time, one Iraqi Dinar could be exchanged for approximately \$0.0009. Ms. Blanchard said that she anticipated that
2 once the Iraqi Dinar was revalued, one Iraqi Dinar would be worth \$3.50 to \$4.00.

3 3. Investor A inquired whether he could purchase Iraqi Dinar from Blanchard, and Blanchard said that she could
4 sell currency to Investor A.

5 4. On or about September of 2011, Investor A gave to Blanchard \$2,100 so that Blanchard could purchase two
6 million Iraqi Dinar for him. Blanchard gave Investor A one note for 5,000 Iraqi Dinar immediately and promised that
7 the rest would be forthcoming within a couple of weeks. Blanchard failed to give Investor A a receipt or other
8 evidence of his investment, or any disclosure documents.

9 5. Immediately following his purchase of Iraqi Dinar from Blanchard, Investor A exchanged text messages with
10 Blanchard regarding his purchase. In one text message Investor A thanked Blanchard for the opportunity and offered
11 to take her out to dinner once he realized a return on his investment in Iraqi Dinar. Blanchard responded,
12 "Heck.....you will be so rich you can take to dinner [sic] in Hawaii!!!!" Blanchard then offered to sell Investor A
13 more Iraqi Dinar. Despite indicating an interest in subsequent text messages, Investor A did not purchase any more
14 currency from Blanchard.

15 6. As of the date of this Statement of Charges, Investor A has not received the currency Blanchard promised.
16 Neither has Investor A received a refund of his money from Blanchard.

17 **REGISTRATION STATUS**

18 7. Annette Blanchard is not currently registered with the Commodity Futures Trading Commission as a futures
19 commission merchant or as a leverage transaction merchant, is not currently registered under the Commodity
20 Transactions Act as a commodities broker-dealer or commodities sales representative, and has not previously been so
21 registered.

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

1 **CONCLUSIONS OF LAW**

2 1. Foreign currencies, such as Iraqi Dinar, are commodities as defined in RCW 21.30.010(9).

3 2. The offer and/or sale of Iraqi Dinar described above constitutes the offer and/or sale of a commodity or
4 commodity contract as defined in RCW 21.30.010(10), (14) and (15).

5 3. The offer and/or sale of said commodities is in violation of RCW 21.30.020 because the offer or sale was
6 made by a person not exempt under RCW 21.30.030 and the transaction or contract was not exempt under RCW
7 21.30.040.

8 4. Respondent, Annette Blanchard, has violated RCW 21.30.050 by offering or selling said commodities or
9 commodities contract while not registered under the commodity futures trading commission as a futures commission
10 merchant or as a leverage transaction merchant and while not registered as a commodities broker-dealer or
11 commodities sales representative under the commodity transactions act.

12 5. The offer and/or sale of said commodities was made in violation of RCW 21.30.060 because Respondent,
13 Annette Blanchard, in connection with the offer and sale of a commodity, made misrepresentations of material fact
14 and/or omitted to state facts necessary in order to make the statements made, in light of the circumstances in which
15 they were made, not misleading.

16 6. The offer and/or sale of said commodities was made in violation of RCW 21.30.060 because Respondent,
17 Annette Blanchard, in connection with offer and/or sale of a commodity misappropriated or converted the funds,
18 security, or property of Investor A.

19 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

20 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator
21 intends to order, pursuant to RCW 21.30.120, the respondent, Annette Blanchard, and her agents and employees to
22 cease and desist from violations of RCW 21.30.020, the section of the Commodity Transactions Act prohibiting the
23 sales of commodities, commodity contracts, and commodity options; RCW 21.30.050, the section of the Commodity
24

1 Transactions Act requiring registration; and RCW 21.30.060, the anti-fraud section of the Commodity Transactions
2 Act.

3 **NOTICE OF INTENT TO IMPOSE FINES**

4 Pursuant to RCW 21.30.120, and based upon the above Tentative Findings of Fact and Conclusions of Law,
5 the Securities Administrator intends to order the respondent, Annette Blanchard, shall be liable for and pay a fine of
6 \$2,000.

7 **AUTHORITY AND PROCEDURE**

8 This Statement of Charges and Notice of Intent to Enter and Order to Cease and Desist is entered pursuant to
9 the provisions of RCW 21.30.120, and is subject to the provisions of Chapter 34.05 RCW. The Respondent, Annette
10 Blanchard, may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND
11 AND OPPORTUNITY FOR HEARING accompanying this order. If the respondent fails to request a hearing within
12 the allowed time, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions
13 of Law as final and enter a permanent cease and desist order against the respondent.

14 Signed and Entered this 27th day of June 2012.

15
16 

17
18 William M. Beatty
19 Securities Administrator

20
21 Approved by:

22 

23
24 Suzanne Sarason
25 Chief of Enforcement

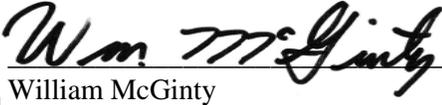
Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Presented by:



William McGinty
Financial Legal Examiner