

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING  
Whether there has been a violation  
of the Business Opportunity Fraud Act of the  
State of Washington by:

Cooley Enterprises; Brian Cooley; Kathy Cooley;  
their agents and employees,  
  
Respondents.

S-02-357-02-TO01

SUMMARY ORDER TO CEASE AND DESIST

Case No. 02-357

THE STATE OF WASHINGTON TO:

Cooley Enterprises  
Brian and Kathy Cooley  
3901 South 56<sup>th</sup>  
Tacoma, Washington 98405

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Cooley Enterprises; Brian Cooley; Kathy Cooley, its agents and employees, have violated the Business Opportunity Fraud Act and that their violations justify the entry of an order of the Securities Administrator under RCW 19.110.150 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the 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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**TENTATIVE FINDINGS OF FACT**

I. Respondents

1. Cooley Enterprises maintains a business address at Post Office Box 9182, Tacoma, Washington 98409. Cooley Enterprises offers a business opportunity relating to in-home mail processing.

2. Brian Cooley is associated with Cooley Enterprises and maintains an address in Tacoma, Washington.

3. Kathy Cooley is associated with Cooley Enterprises and maintains an address in Tacoma, Washington.

II. Nature of the Business Opportunity

1. In October of 2002, an advertisement was placed in a local Washington newspaper. The advertisement stated:

**\$1,380 WEEKLY GUARANTEED**  
Stuff envelopes @ hm. FT/  
PT, \$690 Bonus for a \$2,070  
Total Wkly Paycheck, No  
skills, educ, exp. All Qualify-  
Legitimate, honest hm em-  
ployment. \$225 Cash Hiring  
Bonus. Guaranteed in writ-  
ing 1-877-862-6623 Toll Free

2. At least one Washington resident responded to the advertisement. The Washington resident called the toll free telephone number. A voicemail system answered the call. A male voice identified the business as a “mail order support company”. The Washington resident requested further information. The Washington resident received two photo-copied pages through the United States mail.

1 3. The materials stated that the company is “looking for honest and dependable Home-Based  
2 Workers who want to experience the freedom of working at home without supervision while earning  
3 GUARANTEED PAYCHECKS of \$700 to \$1,400 every week.”

4 4. The marketing material did not include any disclosure information or material financial  
5 information regarding the in-home mail processing opportunity or Cooley Enterprises including, but  
6 not limited to, a current financial statement.

7 5. Cooley Enterprises is continuing to offer its mail processing opportunity.

8 III. Registration Status

9 Cooley Enterprises is not currently registered to sell its business opportunities in the state of  
10 Washington and has not previously been so registered.

11 IV.

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

13 **CONCLUSIONS OF LAW**

14 I. Business Opportunity

15 The offer and/or sale of Cooley Enterprises described above constitutes the offer and/or sale of a  
16 business opportunity as defined in RCW 19.110.020(1)(c).

17 II. Registration of the Business Opportunity

18 The offer and/or sale of said business opportunity is in violation of RCW 19.110.050 because it  
19 had not been registered with the Administrator of Securities prior to advertising, soliciting, or making  
20 of any offer and/or sale of the business opportunity in this state.  
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III. Disclosure/Fraud

The offer and/or sale of said business opportunity was made in violation of RCW 19.110.070 and RCW 19.110.120, the antifraud provisions and disclosure document provisions of the Business Opportunity Fraud Act, respectively. Respondents violated those provisions by failing to provide prospective purchasers a disclosure document containing complete material information regarding the business opportunity, including but not limited to a financial statement of the seller.

EMERGENCY

The Securities Administrator finds that an emergency exists, that the continued violations of RCW 19.110.050, RCW 19.110.070 and RCW 19.110.120 constitute a threat to the investing public, and that 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 on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Respondents, Cooley Enterprises, Brian Cooley, Kathy Cooley, its agents and employees, each cease and desist from offering and/or selling business opportunities in any manner in violation of RCW 19.110.050(1), the section of the Business Opportunity Fraud Act requiring registration.

It is further SUMMARILY ORDERED That, Cooley Enterprises, Brian Cooley, Kathy Cooley, its agents and employees, each cease and desist from offering and/or selling business opportunities in any manner in violation of RCW 19.110 070 and RCW 19.110.120, the disclosure document and the anti-fraud provisions of the Business Opportunity Fraud Act, respectively.

**AUTHORITY AND PROCEDURE**

This Order is entered pursuant to the provisions of RCW 19.110.150 and is subject to the provisions of Chapter 34.05 RCW. The Respondents, Cooley Enterprises, Brian Cooley, Kathy Cooley, each 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.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

DATED this 16<sup>th</sup> day of December 2002.



DEBORAH R. BORTNER  
Securities Administrator

Presented by:

Susan H. Anderson  
Financial Legal Examiner

Approved by:

Michael E. Stevenson  
Chief of Compliance