

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

4 IN THE MATTER OF DETERMINING ) Order Number S-03-232-05-SC01  
5 whether there has been a violation of the )  
6 Securities Act of Washington by: ) STATEMENT OF CHARGES AND NOTICE  
7 William Lawrence Kludas; American ) OF INTENT TO ENTER AN ORDER TO  
8 Marketing Technology Incorporated; William ) CEASE AND DESIST, IMPOSE FINES,  
9 L. Kludas dba American Micro Supply; Entity ) AND CHARGE COSTS  
Services Technology, Inc.; and Status )  
Corporation, )  
Respondents.)

10 THE STATE OF WASHINGTON TO: William Lawrence Kludas  
11 American Marketing Technology Incorporated  
12 William L. Kludas dba American Micro Supply  
13 Entity Services Technology, Inc.  
14 Status Corporation

14 **STATEMENT OF CHARGES**

15 Please take notice that the Securities Administrator of the State of Washington has  
16 reason to believe that Respondents, William Lawrence Kludas, American Marketing  
17 Technology Incorporated, William L. Kludas dba American Micro Supply, Entity Services  
18 Technology, Inc., and Status Corporation, have each violated the Securities Act of  
19 Washington and that their violations justify the entry of an order of the Securities  
20 Administrator under RCW 21.20.390 against each to cease and desist from such violations.

21 The Securities Administrator finds as follows:  
22  
23

24 STATEMENT OF CHARGES AND NOTICE OF  
INTENT TO ENTER AN ORDER TO CEASE AND  
DESIST, IMPOSE FINES, AND CHARGE COSTS

1

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

1 **TENTATIVE FINDINGS OF FACT**

2 **I. RESPONDENTS**

3 1. William Lawrence Kludas (“Kludas”) is the sole proprietor of American Micro  
4 Supply. Kludas was a Washington State licensed insurance agent from November 11, 1980  
5 until he cancelled his license on January 4, 1988, and again from April 5, 1995 until his  
6 license expired on January 4, 2001.

7 2. American Marketing Technology Incorporated (“AMTEC”), a Washington  
8 corporation, was registered with the Washington State Department of Revenue between  
9 January 31, 1992 and April 26, 1993 as doing business at 4574 193<sup>rd</sup> Place SE, Issaquah, WA  
10 98027. AMTEC was allegedly started as a marketing support corporation for insurance  
11 companies.

12 3. William L. Kludas dba American Micro Supply (“AMS”) is a sole  
13 proprietorship registered with the Washington State Department of Revenue between January  
14 1, 1988 and June 30, 1989 as doing business at 4574 193<sup>rd</sup> Place SE, Issaquah, WA 98027-  
15 9308.

16 4. Entity Services Technology, Inc., (“Entity Services”) is a Nevada corporation  
17 incorporated on July 2, 2001 as doing business at 3885 South Decatur Boulevard, Suite 2010,  
18 Las Vegas, NV 89103.

19 5. Status Corporation (“Status”) is allegedly a Nevada corporation doing business  
20 at 3885 South Decatur Boulevard, Suite 2010, Las Vegas, NV 89103. The Nevada Secretary  
21 of State has no record of Status.

1 II. NATURE OF THE OFFERING

2 6. From approximately March 1995 to December 2002, Kludas offered and sold  
3 investments in AMTEC, AMS, Entity Services, and Status, in the form of promissory notes  
4 and/or contracts for the purchase of stock, to at least nine Washington state residents in the  
5 amount of at least \$950,000.

6 7. Investors were familiar with Kludas through the purchase of insurance products  
7 and/or the estate planning services Kludas offered as an employee of Pacific Estate Group,  
8 Inc. Kludas would offer the individuals investment opportunities in one or more of the  
9 entities described above either as part of the estate planning services, or shortly after  
10 completing the estate planning services.

11 8. The investments varied in terms, including earning between 5% and 14 ¾%  
12 interest and maturing in five to twenty-one years. Kludas told some investors that the  
13 company their money was being invested in guaranteed the interest and principal, but told  
14 other investors that only the principal was guaranteed. The investors placed their trust and  
15 confidence in Kludas as their insurance agent and estate planner and believed Kludas was  
16 acting in their best interest.

17 9. Kludas told investors to write their checks to AMS or Kludas directly. For  
18 investments made in companies other than AMS, Kludas told investors that AMS was acting  
19 as the transfer agent.

20 10. Kludas repaid one investor in full on the investment. Partial payments were  
21 made to at least two other investors, one of which was part of a settlement agreement in a civil  
22 suit between Kludas and the investor. At this time, it appears the other investors have not  
23 received any interest or principal on their investments.

1 III. MISREPRESENTATIONS AND OMISSIONS

2 11. Respondents, Kludas, AMTEC, AMS, Entity Services, and Status, failed to  
3 provide investors material information regarding the investment, including but not limited to,  
4 how investors' funds were to be used, the general and specific risks involved with each  
5 entity's business operations, the Respondents' experience and track record in similar  
6 endeavors, financial statements for AMTEC, AMS, Entity Services, and Status, and Kludas's  
7 position and level of involvement with each entity.

8 IV. REGISTRATION STATUS

9 12. AMTEC, AMS, Entity Services, and Status are not currently registered to sell  
10 their securities in the state of Washington and have not previously been so registered.

11 13. William L. Kludas is not currently registered as a securities salesperson or  
12 broker-dealer in the state of Washington and has not previously been so registered.

13  
14 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:  
15

16 CONCLUSIONS OF LAW

17 1. The offer or sale of said securities described above constitutes the offer or sale  
18 of a security as defined in RCW 21.20.005(10) and (12).

19 2. The offer or sale of said securities is in violation of RCW 21.20.140 because no  
20 registration for such offer or sale is on file with the Securities Administrator.

21 3. William Lawrence Kludas has violated RCW 21.20.040 by offering or selling  
22 said securities while not being registered as a securities salesperson or broker-dealer in the  
23 state of Washington.

1           4.    The offer or sale of said securities was made in violation of RCW 21.20.010  
2 because, as set forth in the Tentative Findings of Fact, Respondents either made untrue  
3 statements of materials facts or omitted to state material facts necessary in order to make the  
4 statements made, in light of the circumstances under which they were made, not misleading.

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6           **NOTICE OF INTENT TO ORDER RESPONDENTS TO CEASE AND DESIST**

7           Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and  
8 Conclusions of Law, the Securities Administrator intends to order that Respondents, William  
9 Lawrence Kludas, American Marketing Technology Incorporated, William L. Kludas dba  
10 American Micro Supply, Entity Services Technology, Inc., and Status Corporation, each  
11 cease and desist from violations of RCW 21.20.140, RCW 21.20.040 and/or 21.20.010.

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13           **NOTICE OF INTENT TO IMPOSE FINES**

14           Pursuant to RCW 21.20.395, and based on the foregoing Tentative Findings of Fact  
15 and Conclusions of Law, the Securities Administrator intends to order that Respondents,  
16 William Lawrence Kludas, American Marketing Technology Incorporated, William L. Kludas  
17 dba American Micro Supply, Entity Services Technology, Inc., and Status Corporation,  
18 jointly and severally, pay a fine of \$50,000.

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20           **NOTICE OF INTENT TO CHARGE COSTS**

21           Pursuant to RCW 21.20.390(5), and based upon the above Tentative Findings of Fact  
22 and Conclusions of Law, the Securities Administrator intends to order that Respondents,  
23 William Lawrence Kludas, American Marketing Technology Incorporated, William L. Kludas

1 dba American Micro Supply, Entity Services Technology, Inc., and Status Corporation,  
2 jointly and severally, pay the costs incurred in the conduct of the administrative investigation  
3 and hearing of this matter.

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5 **AUTHORITY AND PROCEDURE**

6 This Order is entered pursuant to the provisions of RCW 21.20.390 and 21.20.395 and  
7 is subject to the provisions of RCW 34.05. The respondents, William Lawrence Kludas,  
8 American Marketing Technology Incorporated, William L. Kludas dba American Micro  
9 Supply, Entity Services Technology, Inc., and Status Corporation, may each make a written  
10 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND  
11 OPPORTUNITY FOR HEARING accompanying this order.

12 If a Respondent does not request a hearing, the Securities Administrator intends to  
13 adopt the above Tentative Findings of Fact and Conclusions of Law as final, enter a  
14 permanent cease and desist order, and impose fines and costs, as to that Respondent.

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16 Dated and Entered this 9th day of February, 2006.

17 

18 MICHAEL E. STEVENSON  
19 Securities Administrator

20 Approved by:

21 

22 Martin Cordell  
23 Chief of Enforcement

Presented by:

21 

22 Kate Reynolds  
23 Financial Legal Examiner