

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order Number S-04-056-04-SC01
Whether there has been a violation of the)
Securities Act of Washington by:) STATEMENT OF CHARGES AND NOTICE
) OF INTENT TO ENTER AN ORDER TO
FRED ANDREW HALE) CEASE AND DESIST AND TO IMPOSE A
Respondent) FINE
)

THE STATE OF WASHINGTON TO: Fred Andrew Hale

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent, Fred Andrew Hale, has violated the Securities Act of Washington and that his violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. RESPONDENT

Fred Andrew Hale (“Hale”) is a Washington resident whose last known address is 14033 97th Avenue NE in Bothell, Washington.

II. OFFER AND SALE OF “SOLUTIONS NETWORK” INVESTMENTS

From at least 1997 through at least 2002, Hale has offered and sold more than \$450,000 worth of investments to at least 12 investors, many of whom are Washington residents. Hale has failed to repay the investors.

1 personal financial statements. Hale failed to disclose the projected expenses for launching the
2 Solutions Network.

3 IV. UNREGISTERED SECURITIES

4 Solutions Network is not currently registered to offer or sell its securities in the state of
5 Washington and has not previously been so registered.

6 VI. UNREGISTERED SECURITIES SALESPERSON OR SECURITIES BROKER-DEALER

7 Fred Andrew Hale is not currently registered as a securities salesperson or securities
8 broker-dealer in the state of Washington and has not previously been so registered.
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10
11 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

12 CONCLUSIONS OF LAW

13 I.

14 The offer or sale of the investments described above constitutes the offer or sale of a
15 security as defined in RCW 21.20.005(10) and (12), whether in the form of an investment
16 contract, risk capital, evidence of indebtedness or note.

17 II.

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

21 III.

22 Fred Andrew Hale has violated RCW 21.20.040 by offering or selling said securities
23 while not registered as a securities salesperson or broker-dealer in the state of Washington.

24 IV.

1 The offer or sale of said securities was made in violation of RCW 21.20.010 because, in
2 connection with the offer and sale of the securities, Hale made untrue statements of material fact
3 or omitted to state material facts necessary in order to make the statements made not misleading.

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

5 Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities
6 Administrator intends to order that Fred Andrew Hale and his agents and employees shall cease
7 and desist from violations of RCW 21.20.140, RCW 21.20.040 and RCW 21.20.010.

8 **NOTICE OF INTENT TO IMPOSE FINES**

9 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and
10 Conclusions of Law, the Securities Administrator intends to order that Fred Andrew Hale shall
11 be liable for and pay a fine of \$5,000.

12 **AUTHORITY AND PROCEDURE**

13 This Statement of Charges is entered pursuant to the provisions of ch. 21.20 RCW and is
14 subject to the provisions of the Administrative Procedures Act, RCW 34.05. The respondent,
15 Fred Andrew Hale, may make a written request for a hearing as set forth in the NOTICE OF
16 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
17 order.
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19 If Fred Andrew Hale fails to make a timely hearing request, the Securities
20 Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law
21 as final and enter a permanent order against Fred Andrew Hale to cease and desist from
22 violations of the Securities Act. The Securities Administrator may also enter a final order
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1 imposing the \$5,000 fine, file a certified copy of the order in superior court and proceed to
2 collect the fine in accordance with RCW 21.20.395.

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4 Dated this 11th day of June, 2004


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9 Michael E. Stevenson
10 Securities Administrator

11 Approved by:

12 Presented by:

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14 

15 Martin Cordell
16 Chief of Enforcement

17 Janet So
18 Senior Financial Legal Examiner