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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of the State
of Washington by:

International Global Positioning, Inc.; FyBX
Corporation; John F. Riley; and Robert S. Smith,

Respondents.

Order Number S-05-121-07-FO01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER
TO CEASE AND DESIST AND IMPOSE FINES
AS TO JOHN RILEY

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THE STATE OF WASHINGTON TO: John Riley

On January 23, 2007, the Securities Administrator of the State of Washington issued S-05-121-06-SC01 hereinafter referred to as the Statement of Charges against International Global Positioning, Inc., FyBX Corporation, John F. Riley, and Robert S. Smith.

The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing, hereinafter referred to as "Notice of Opportunity for Hearing" and an Application for Adjudicative Hearing, hereinafter referred to as "Application for Hearing", were personally served on John Riley on February 2, 2007. The Notice of Opportunity for Hearing advised John F. Riley that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of receipt of the notice. John F. Riley failed to request an administrative hearing within twenty days of receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided or otherwise.

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ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL
ORDER TO CEASE AND DESIST

1 The Securities Administrator therefore will adopt as final the findings of fact and conclusions of law as
2 set forth in the Statement of Charges.

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4 The Securities Administrator makes the following findings of fact and conclusions of law:

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6 **FINDINGS OF FACT**

7 **I. RESPONDENTS**

8 1. International Global Positioning, Inc. (“IGP”) was a Nevada corporation with its principal
9 place of business at 720 Broads Street, Suite 500, Austin, Texas 78701. IGP purportedly manufactures
10 global positioning devices for vehicle tracking purposes.

11 2. FyBX Corporation (“FyBX”) was a Louisiana corporation with its principal place of
12 business at 1010 Common Street, Suite 2500, New Orleans, LA 70112. FyBX purportedly manufactures
13 oil absorbent fiber products from the stalks of banana plants.

14 3. John F. Riley (“Riley”) is an individual residing in Murrieta, California.

15 4. Robert S. Smith (“Smith”) is an individual residing in Redmond, Washington.

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17 **III. NATURE OF THE CONDUCT**

18 **INTRODUCTION**

19 5. Riley purportedly raised capital for companies for development and marketing. Riley met
20 Smith through mutual business contacts. Riley recruited Smith to help him find investors in the State of
21 Washington. All the information Smith had about the investment opportunities came from Riley. These
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23
24 ENTRY OF FINDINGS OF FACT AND
25 CONCLUSIONS OF LAW AND FINAL
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1 investment opportunities included IGP and FyBX. In return for finding investors for IGP and FyBX,
2 Riley offered Smith a 3% finder's fee. Smith was paid compensation in return for finding investors.

3 6. Smith was required to obtain written authorization from Symetra Investment Services, Inc.,
4 where he was registered as a securities salesperson, prior to effecting securities transactions that were not
5 approved or recorded on the books and records of Symetra Investment Services, Inc. Smith failed to
6 disclose to investors that the investments were not approved by Symetra Investment Services, Inc. and
7 that Smith's sales of the investments, as described below, were not recorded on the books and records of
8 Symetra Investment Services, Inc.

9 INVESTOR A

10 7. Investor A is a retired Washington State resident. In or around March of 2003, Investor A
11 was approached by Smith about an investment opportunity with FyBX. Based on the information Riley
12 told him, Smith told Investor A that the investment was to be used to secure the patent rights and also for
13 development of production facilities for FyBX in Costa Rica. Riley spoke to Investor A on the telephone
14 about the investment.
15

16 8. Relying on Riley and Smith's representations, on or about March 13, 2003 Investor A
17 signed a promissory note for the FyBX investment. FyBX was to pay an interest rate of 15% per annum
18 and monthly payments of \$2,500 a month. Investor A was to also receive 500,000 shares of FyBX in
19 return for her investment as well as assignment of the patent rights. On or about March 14, 2003,
20 Investor A invested \$169,000 to FyBX via wire transfer. On or about March 17, 2003, Investor A
21 invested an additional \$31,000 via wire transfer to FyBX.
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1 9. Investor A received a few monthly payments from FyBX but the payments stopped and
2 never resumed. Riley was to pay Smith a 3% finder's fee on the money Investor A invested in FyBX.
3 Smith disclosed the finder's fee to Investor A.

4 10. In or around May of 2003, Investor A was approached by Smith about an investment
5 involving a short term note with IGP. Investor A was told to speak to Riley for more information about
6 the investment.

7 11. Based on Riley's representations of the investment, on or about May 30, 2003 Investor A
8 invested \$50,000 in IGP and signed a promissory note for the investment. IGP was to pay Investor A
9 \$55,000 in a single payment on or before December 29, 2003 with an accrued interest rate of 15% per
10 annum. Investor A never received the payment from IGP. Riley was to pay Smith a 3% finder's fee on
11 the money Investor A invested in IGP. Smith disclosed the finder's fee to Investor A.

12 12. In or around June of 2003, Riley told Smith about another investment for which he needed
13 investors. Riley told Smith that he could access bonds Eagle Broadband, Inc. ("EAG") was repurchasing
14 and converting into stock. Riley was seeking money from investors so that he could obtain the stock and
15 then sell the stock at a profit. According to Riley, the profit made on the stock sale would be paid to
16 investors. Smith approached Investor A about the EAG investment opportunity.

17 13. On or about June 11, 2003, Investor A invested \$50,000 in the EAG investment via wire
18 transfer. Investor A wired the money to the attention of Riley to a purported EAG account in Texas. On
19 or about June 11, 2003, Riley and Investor A entered into a promissory note in which Investor A was to
20 receive an interest rate of 10% per annum. The principal and return on the investment was to be paid in
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1 one single payment by June 30, 2003. To date, Investor A has never received payment on her EAG
2 investment.

3 INVESTOR B

4 14. Investor B is a self-employed Washington resident. In or around May of 2003 Investor B
5 was approached by Smith about the investment opportunity Riley had told him about with FyBX and
6 IGP. Smith gave Investor B an informational brochure on FyBX. Investor B understood that FyBX made
7 and processed banana fiber; however Investor B was never given any specifics on FyBX or the
8 investment. Investor B was told by Smith that IGP manufactured a GPS device that was used in cars and
9 trucks called ResQ. Investor B was given a prototype of the IGP device but Investor B never saw the
10 prototype work. Investor B was also never given any specifics on IGP or the investment.

11 15. On or about May 2, 2003, Investor B signed a promissory note for the IGP investment.
12 According to the promissory note, Investor B would be paid a lump sum of \$25,000 on or before June 1,
13 2003.

14 16. On or about May 2, 2003, Investor B signed a promissory note for the FyBX investment in
15 which FyBX was to pay a flat rate of 15% for a term of twenty-four months on a \$100,000 investment.
16 Investor B also was to receive 250,000 shares of FyBX in return for his investment.

17 17. On or about May 2, 2003, Investor B wrote a check payable to Smith for approximately
18 \$122,500 to invest \$22,500 in FyBX and \$100,000 in IGP. Smith forwarded the money onto IGP and
19 FyBX. Investor B believed that the money invested in IGP would be used for marketing and
20 development. Investor B was not sure what the money invested in FyBX would be used for.
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1 18. Investor B received a few payments of \$2,500 from FyBX as a return on his investment, but
2 the payments stopped and never resumed. Investor B received \$25,000 on his original investment in IGP
3 and decided to invest additional money with IGP. On or about June 27, 2003, Investor B wrote a check to
4 IGP for \$250,000 and signed a new promissory note in which IGP was to pay 15% on the investment and
5 payments were to be made in 12 equal installments.

6 19. Investor B never received payments on the second investment in IGP. Investor B called and
7 spoke to individuals allegedly employed as IGP management about his investment and was assured that
8 the company was doing well.

9 20. Riley was to pay Smith a 3% finder's fee on the money Investor B invested in IGP and a
10 3% finder's fee from the money Investor B invested in FyBX. Smith failed to disclose the finder's fee to
11 Investor B.

12 INVESTOR C & INVESTOR D

13 21. Investor C and Investor D are a married couple that reside in Washington State. In or
14 around June of 2003, Smith told Investor C and Investor D about the investment opportunity with EAG.
15 Investor C understood that Riley would invest the money in EAG for them. Investor C felt that she had
16 to invest immediately or lose the opportunity.

17 22. On or about June 11, 2003, Investor C and Investor D invested \$75,000 in the EAG
18 investment and signed a promissory note with Riley in which Investor C and Investor D were to receive
19 \$90,000 and 20% of the "EAG trading Gross (sic) profits over costs basis." The principal and return on
20 the investment was to be paid in one single payment by September 15, 2003.
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1 23. Investor C checked the stock price for EAG regularly and when the stock reached \$3.00
2 Investor C requested her money back from the investment. Investor C was told by Smith it was not
3 possible because Riley owned the stock and that Riley could not sell the stock because of a “blackout.”

4 24. In or around January of 2004 Smith told Investor C and Investor D that Riley had told him
5 he did not have the money to pay investors back. Based on that information, Smith drew up a nine month
6 payment plan, but Investor C and Investor D never received any payments under the plan and have never
7 been paid back on the investment.

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

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11 **CONCLUSIONS OF LAW**

12 1. The offer and/or sale of the investments described above constitutes the offer and/or
13 sale of a security as defined in RCW 21.20.005(10) and (12).

14 2. The offer and/or sale of said securities, as described above, is in violation of RCW
15 21.20.140 because no registration for such offer and/or sale is on file with the Administrator of
16 Securities, state of Washington.

17 3. John F. Riley violated RCW 21.20.040 by offering and/or selling said securities while not
18 registered as a securities salesperson or a broker-dealer in the state of Washington.

19 4. The offer and/or sale of said securities was made in violation of RCW 21.20.010 because
20 John F. Riley made untrue statements of material fact or omitted to state material facts necessary in order
21 to make the statements made, in the light of the circumstances under which they were made, not
22 misleading.
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FINAL ORDER

Based on the foregoing:

It is hereby ORDERED that the Respondent, John F. Riley, his agents, and employees each cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.140, the section of the Securities Act of Washington requiring registration.

It is further ORDERED that Respondent, John F. Riley, his agents, and employees each cease and desist from violation of RCW 21.20.010, the anti-fraud section of the Securities Act.

It is further ORDERED that Respondent, John F. Riley, his agents, and employees each cease and desist from violation of RCW 21.20.040, the broker-dealer and securities salesperson registration section of the Securities Act.

It is further ORDERED that Respondent, John F. Riley, shall be liable for and pay a fine of \$10,000.

AUTHORITY AND PROCEDURE

This Final Order is entered pursuant to the provisions of RCW 21.20.110 and 21.20.390, and is subject to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. 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. Pursuant to 21.20.395, a certified copy of this order may be filed in Superior Court. If so filed, the clerk shall treat the order in the same manner as a Superior Court judgment as to the fine, and the fine may be recorded, enforced, or satisfied in like manner.

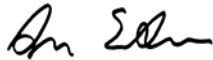
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2 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.
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5 Dated and Entered this 5th day of March, 2007.
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9 MICHAEL E. STEVENSON
10 Securities Administrator

11 Approved by:

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13 _____
14 Suzanne Sarason
15 Chief of Compliance &
16 Examinations

17 Presented by:

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19 _____
20 Angela R. Vogel
21 Enforcement Attorney

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