

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

4 IN THE MATTER OF DETERMINING) Order Number S-05-133-05-TO01
5 Whether there has been a violation of the)
6 Securities Act of Washington by:) SUMMARY ORDER TO CEASE AND
7) DESIST AND NOTICE OF INTENT TO
8) IMPOSE FINES
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Respondents.)

THE STATE OF WASHINGTON TO: Anthone Properties, LLC
Laurance D. Anthone

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Anthone Properties, LLC and Laurance D. Anthone have each violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 against each to cease and desist from such violations and under RCW 21.20.395 to impose fines. 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:

SUMMARY ORDER TO CEASE AND DESIST AND 1
NOTICE OF INTENT TO IMPOSE FINES

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

1 **TENTATIVE FINDINGS OF FACT**

2 **I. PARTIES**

3 1. Anthone Properties, LLC (“Anthone Properties”) is a Washington limited liability
4 company with its principal place of business at 6000 Southcenter Blvd., Suite 20, Tukwila, WA
5 98188.

6 2. Laurance D. Anthone (“Anthone”) is the registered agent and CEO of Anthone
7 Properties, LLC.

8 **II. NATURE OF THE OFFERING**

9 3. From approximately June to November of 2004, Anthone offered investments, in
10 the form of joint venture agreements with Anthone Properties, LLC, to at least six Washington
11 residents and raised approximately \$180,000.

12 4. Presentations to prospective investors were made by Anthone at the Anthone
13 Properties’ office. Investors were shown documents relating to the development of a real estate
14 project called Eden Estates. Anthone told investors that he did not have the money to develop the
15 property, but if the investors invested in Eden Estates, they would make money on the project.

16 5. Anthone told investors that each lot was worth approximately \$120,000 and were
17 promised that the lots, once developed, would be worth approximately \$400,000-600,000.

18 6. Anthone showed investors permit applications as well as a plat map for Eden
19 Estates. Investors were told they would choose which of the nine lots they wanted once
20 development had begun. Any remaining lots were to be sold for profit.

21 7. Anthone told investors that he would take care of all aspects of development
22 including subdividing, utilities and roads. Anthone also told investors he would coordinate any
23 necessary subcontractors. Investors did not participate in the management of the real estate

1 development. The investors relied on the representations that Anthonie made that he would take
2 care of the real estate development as they did not have any experience with real estate
3 development.

4 8. Anthonie entered into “Eden Estates Joint Venture Partnership” (“EEJVP”) with at
5 least six investors. Under the EEJVP, investors were to contribute money at regular intervals to
6 fund the development of Eden Estates.

7 III. MISREPRESENTATIONS AND OMISSIONS

8 9. Anthonie Properties, LLC and Anthonie failed to provide investors material
9 information regarding the investment, including but not limited to, the general and specific risks
10 involved with the investment, the Respondents’ experience and track record in similar real estate
11 developments, and financial statements for Anthonie Properties, LLC.

12 IV. REGISTRATION STATUS

13 10. Anthonie Properties, LLC is not currently registered to sell its securities in the
14 state of Washington and has not previously been so registered.

15 11. Laurance D. Anthonie is not currently registered as a securities salesperson or
16 broker-dealer in the state of Washington and has not previously been so registered.

17 V. EMERGENCY

18 12. The Securities Administrator finds that the continued offering of investments in
19 the manner described in Tentative Finding of Fact, presents a threat to the investing public.

20
21 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:
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23

1 **CONCLUSIONS OF LAW**

2 1. The offer or sale of the joint venture investment as described above constitutes the
3 offer or sale of a security as defined in RCW 21.20.005(10) and (12).

4 2. The offer or sale of said securities is in violation of RCW 21.20.140 because no
5 registration or notification of claim of exemption for such offer or sale is on file with the
6 Securities Administrator.

7 3. Laurance D. Anthone has violated RCW 21.20.040 by offering or selling said
8 securities while not registered as a securities salesperson or broker-dealer in the state of
9 Washington.

10 4. The offer and/or sale of said securities was made in violation of RCW 21.20.010
11 because, as set forth in the Tentative Findings of Fact, Respondents made misstatements of
12 material fact or omitted to state material facts necessary in order to make the statements made, in
13 light of the circumstances under which they were made, not misleading.

14 5. The Securities Administrator finds and concludes that an emergency exists, that
15 the continued violations of RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140, constitute a
16 threat to the investing public, and that summary orders to cease and desist from those violations
17 are in the public interest and necessary for the protection of the investing public.

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19 **SUMMARY ORDER**

20 Based on the foregoing:

21 NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Respondents,
22 Anthone Properties, LLC and Laurance D. Anthone, their agents, employees, and affiliated
23

1 entities, each cease and desist from offering or selling securities in any manner in violation of
2 RCW 21.20.140, the section of the Securities Act of Washington requiring registration.

3 It is further SUMMARILY ORDERED that Respondent, Laurance D. Anthone cease and
4 desist from violation of RCW 21.20.040, the section of the Securities Act that requires
5 registration of securities salespersons and broker-dealers.

6 It is further SUMMARILY ORDERED that Respondents, Anthone Properties, LLC and
7 Laurance D. Anthone, their agents, employees, and affiliated entities, each cease and desist from
8 violation of RCW 21.20.010, the anti-fraud section of the Securities Act.

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10 **NOTICE OF INTENT TO IMPOSE FINES**

11 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and
12 Conclusions of Law, the Securities Administrator intends to order that Respondents, Anthone
13 Properties, LLC and Laurance D. Anthone, shall be jointly and severally liable for and pay a fine
14 of \$60,000.

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16 **AUTHORITY AND PROCEDURE**

17 This Order is entered pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395
18 and is subject to the provisions of RCW 34.05, the Administrative Procedure Act. The
19 Respondents, Anthone Properties, LLC and Laurance D. Anthone, may each make a written
20 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
21 OPPORTUNITY FOR HEARING accompanying this order.

1 If a Respondent does not request a hearing, the Securities Administrator intends to adopt
2 the above Tentative Findings of Fact and Conclusions of Law as final and make the summary
3 order to cease and desist permanent and to impose fines as to that Respondent.
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5 **CONTINUING INVESTIGATION**

6 The Securities Division is continuing to investigate this matter, including the practices of
7 Respondents, to determine the full extent of the violations of the Securities Act that may have
8 occurred.
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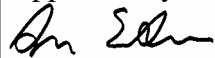
10 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

11 Dated and Entered this 30th day of August, 2005.

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14 MICHAEL E. STEVENSON
15 Securities Administrator

16 Approved by:



17 Suzanne Sarason
18 Chief of Compliance and
19 Examinations

20 Presented by:



21 Kate Reynolds
22 Enforcement Attorney