

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order Number S-07-372-07-SC01
Whether there has been a violation of the)
Securities Act of Washington by:) STATEMENT OF CHARGES AND NOTICE
) OF INTENT TO ENTER ORDER TO CEASE
) AND DESIST AND TO CHARGE COSTS
) AND IMPOSE FINES
Filter Technology of America Inc.;)
Cooking Oil Filtering Systems of America)
Inc.; and)
Donald E. Jacoy,)
Respondents)

THE STATE OF WASHINGTON TO: Filter Technology Of America Inc.
Cooking Oil Filtering Systems of America
Inc.
Donald E. Jacoy

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Filter Technology Of America Inc., Cooking Oil Filtering Systems of America Inc., and Donald E. Jacoy 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, imposing fines pursuant to RCW 21.20.395, and charging costs pursuant to RCW 21.20.390(5). The Securities Administrator finds as follows:

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

1 **TENTATIVE FINDINGS OF FACT**

2 **I. Respondents**

3 1. Filter Technology of America Inc. (“FTA”) is a Washington Corporation with
4 its principal place of business at 2525 East Fourth Plain Boulevard, Vancouver, Washington.
5 FTA was incorporated in 2004. FTA was created to distribute and sell cooking oil filtration
6 systems manufactured and produced by Filter Technology Australia.
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8 2. Cooking Oil Filtration Systems of America Inc. (“COFSA”) was a Nevada
9 Corporation with its principal place of business at an address unknown. COFSA was
10 incorporated in 2005 and subsequently suspended operations in May 2007. COFSA was created
11 to distribute and sell cooking oil filtration systems manufactured and produced by Filter
12 Technology Australia.

13 3. Donald E. Jacoy (“Jacoy”) was and continues to be a resident of Vancouver,
14 Washington. Jacoy was a Director of FTA and was also the President and Director of COFSA.

15 **II. NATURE OF THE OFFERING**

16 4. Between September 2004 and June 2005, Jacoy offered and sold investments in
17 FTA and/or COFSA to at least 4 investors. At least one of the investors was a Washington
18 resident. Most of the investors, including the Washington resident, were neither accredited nor
19 sophisticated investors. The investments were in the form of promissory notes and a percentage
20 of ownership in FTA and/or COFSA based on the investor’s total investment. The investments
21 made totaled at least \$280,000 and at least \$30,000 of the investments came from a Washington
22 resident. All of the investors described above wired or mailed money to Jacoy’s personal, FTA
23 and/or COFSA bank account located in the State of Washington and/or the State of Oregon.
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1 5. Jacoy made contact with investors either through personal friendships and/or
2 mutual acquaintances. Jacoy told potential investors he needed funds for his new company, FTA
3 and/or COFSA, and that the investments would help with startup costs related to the
4 development of the business.

5 6. Jacoy offered promissory notes with a rate of return ranging from 5% to 7%.
6 Jacoy told at least 2 investors that the return amount on their investment was “guaranteed” by his
7 personal life insurance policy.
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9 III. MISREPRESENTATIONS AND OMISSIONS

10 8. Jacoy failed to provide material information regarding FTA and COFSA,
11 including, but not limited to: prospectus information such as financial statements; use of
12 proceeds; projected costs to develop and build a sufficient client base; general and specific
13 financial commitments owed to Filter Technology Australia; and general and specific risk factors
14 involved in the investment.

15 IV. REGISTRATION STATUS

16 9. Filter Technology of America Inc. is currently not registered to sell its securities
17 in the State of Washington and has not previously been so registered.

18 10. Cooking Oil Filtering Systems of America Inc. is currently not registered to sell
19 its securities in the State of Washington and has not previously been so registered.
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21 11. Donald E. Jacoy is not currently registered as a securities salesperson or
22 broker-dealer in the State of Washington and has not previously been so registered.

23 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:
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1 **CONCLUSIONS OF LAW**

2 12. The offer and/or sale of the investments described above constitute the offer
3 and/or sale of a security as defined in RCW 21.20.005(10) and (12).

4 13. Filter Technology of America Inc. violated RCW 21.20.140 by offering and
5 selling unregistered securities.

6 14. Cooking Oil Filtering Systems of America Inc. violated RCW 21.20.140 by
7 offering and selling unregistered securities.

8 15. Donald E. Jacoy violated RCW 21.20.040, by offering and selling said securities
9 while not registered as a securities salesperson or broker-dealer in the State of Washington.
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11 16. In connection with the offer and/or sale of said securities, Filter Technology of
12 America Inc., Cooking Oil Filtration Systems of America and Donald E. Jacoy each violated
13 RCW 21.20.010 because, as set forth in the Tentative Findings of Fact, Respondents made
14 misstatements of material facts and/or omitted to state material facts necessary in order to make
15 the statements made, in light of circumstances under which they were made, not misleading
16 and/or engaged in acts and practices that operated as fraud or deceit.
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18 **NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST**

19 Pursuant to RCW 21.20.390, and based on the above Tentative Findings of Fact and
20 Conclusions of Law, the Securities Administrator intends to order that Respondents, Filter
21 Technology Of America Inc., Cooking Oil Filtering Systems of America Inc., and Donald E.
22 Jacoy, and their agents and employees, each cease and desist from violations of RCW 21.20.010,
23 RCW 21.20.040, and RCW 21.20.140.
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2 **NOTICE OF INTENT TO IMPOSE FINES**

3 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and
4 Conclusions of Law, the Securities Administrator intends to order that Respondents, Filter
5 Technologies of America Inc., Cooking Oil Filtering Systems of America Inc., and Donald E.
6 Jacoy, each shall be liable for and pay a fine of \$5,000.
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9 **NOTICE OF INTENT TO CHARGE COSTS**

10 Pursuant to RCW 21.20.390(5), and based upon the Tentative Findings of Fact and
11 conclusions of Law, the Securities Administrator intends to order that the Respondents, Filter
12 Technologies of America Inc., Cooking Oil Filtering Systems of America Inc., Donald E. Jacoy,
13 each shall be liable for and pay the Securities Division the costs, fees and other expenses
14 incurred in the conduct of the administrative investigation an hearing of this matter.
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16 **AUTHORITY AND PROCEDURE**

17 This STATEMENT OF CHARGES AND NOTICE OF INTENT TO ISSUE AN
18 ORDER TO CEASE AND DESIST, IMPOSE FINES, AND CHARGE COSTS is entered
19 pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395 and is subject to the
20 provisions of Chapter 34.05 RCW. The Respondents, Filter Technology of America Inc.,
21 Cooking Oil Filtering Systems of America Inc., and Donald E. Jacoy, may each make a written
22 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
23 OPPORTUNITY FOR HEARING accompanying this Order.
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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, enter a permanent order
3 against that respondent to cease and desist from violations of the Securities Act, and enter an
4 order imposing the fine and charging costs, as described above.

5 DATED AND ENTERED this 14th day of December, 2007

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8 MICHAEL E. STEVENSON
9 Securities Administrator

10 Approved by:

11 

12 Martin Cordell
13 Chief of Enforcement

Presented by:

14 

15 Patrick Kim
16 Financial Legal Examiner