

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

4 IN THE MATTER OF DETERMINING) Order Number S-07-483-07-SC01
5 Whether there has been a violation of the)
6 Securities Act of the State of Washington by:) STATEMENT OF CHARGES AND NOTICE
7 Rick Young,) OF INTENT TO ENTER ORDER TO CEASE
8 Respondent) AND DESIST AND TO CHARGE COSTS
9) AND IMPOSE FINES

10 THE STATE OF WASHINGTON TO: Rick Young

11 **STATEMENT OF CHARGES**

12 Please take notice that the Securities Administrator of the State of Washington has reason
13 to believe that Respondent, Rick Young, has violated the Securities Act of Washington and that
14 his violations justify the entry of an order of the Securities Administrator under RCW 21.20.390
15 against him to cease and desist from such violations, imposing fines pursuant to RCW 21.20.395,
16 and charging costs pursuant to RCW 21.20.390(5). The Securities Administrator finds as
17 follows:

18 **TENTATIVE FINDINGS OF FACT**

19 I. RESPONDENT

- 20 1. Rick Young ("Young") is a resident of Montana.

21 II. NATURE OF THE OFFERING

- 22 2. Between June 2004 and July 2004, Young offered and sold an investment in an
23 unnamed gold and/or foreign currency exchange program to at least one Washington investor.
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25 STATEMENT OF CHARGES AND NOTICE OF
INTENT TO ENTER ORDER TO CEASE AND DESIST
AND TO CHARGE COSTS AND IMPOSE FINES

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
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1 The investor was neither accredited nor sophisticated in financial matters or investments. The
2 investor did not participate in the management of the investment.

3 3. Young was introduced to the Washington investor through a mutual acquaintance
4 and made contact by telephone. Young promised the Washington investor a return of the initial
5 investment within ninety days. From the day the principal was returned, and for a period of one
6 year, Young promised the Washington investor a monthly return of double the initial investment.
7 As a result of these oral claims, the Washington investor mailed two certified checks, totaling
8 \$6,000, to Young's personal account located in the State of Montana. The Washington investor
9 did not receive any offering documents or written information about the investment.
10

11 III. MISREPRESENTATIONS AND OMISSIONS

12 4. Young failed to provide material information regarding the investment
13 including, but not limited to, prospectus information such as financial statements, use of the
14 proceeds from the offering, and general and specific risk factors involved in the investment.

15 IV. REGISTRATION STATUS

16 5. Rick Young is not currently registered as a securities salesperson or
17 broker-dealer in the State of Washington and has not previously been so registered.
18

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

21 **CONCLUSIONS OF LAW**

22 6. The offer and sale of the investment described above constitutes the offer and sale
23 of a security as defined in RCW 21.20.005(10) and (12).

24 7. Rick Young violated RCW 21.20.040 by offering and selling said securities while
25 not registered as a securities salesperson or broker-dealer in the State of Washington.

1 8. Rick Young violated RCW 21.20.140 by offering and selling unregistered
2 securities.

3 9. In connection with the offer and sale of said securities, Respondent, Rick Young
4 violated RCW 21.20.010 because, as set forth in the Tentative Findings of Fact, Respondent
5 made misstatements of material facts and/or omitted to state material facts necessary in order to
6 make the statements made, in light of circumstances under which they were made, not
7 misleading and/or engaged in acts and practices that operated as fraud or deceit.
8

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10 **NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST**

11 Pursuant to RCW 21.20.390, and based on the above Tentative Findings of Fact and
12 Conclusions of Law, the Securities Administrator intends to order the Respondent, Rick Young,
13 to cease and desist from violations of RCW 21.20.010, RCW 21.20.040 and RCW 21.20.140.
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15 **NOTICE OF INTENT TO IMPOSE FINES**

16 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and
17 Conclusions of Law, the Securities Administrator intends to order the Respondent, Rick Young,
18 be liable for and pay a fine of \$5,000.
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20 **NOTICE OF INTENT TO CHARGE COSTS**

21 Pursuant to RCW 21.20.390(5), and based upon the Tentative Findings of Fact and
22 conclusions of Law, the Securities Administrator intends to order the Respondent, Rick Young,
23 be liable for and pay the Securities Division the costs, fees and other expenses incurred in the
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1 conduct of the administrative investigation and hearing of this matter, in an amount not less than
2 \$1,500.

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4 **AUTHORITY AND PROCEDURE**

5 This STATEMENT OF CHARGES AND NOTICE OF INTENT TO ISSUE AN
6 ORDER TO CEASE AND DESIST, IMPOSE FINES, AND CHARGE COSTS is entered
7 pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395 and is subject to the
8 provisions of Chapter 34.05 RCW. The Respondent, Rick Young, may make a written request
9 for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
10 OPPORTUNITY FOR HEARING accompanying this Order.
11

12 If the 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 permanent
14 order against the Respondent to cease and desist from violations of the Securities Act of
15 Washington and enter an order imposing the fine and charging costs, as described above.
16

17 DATED AND ENTERED this 26th day of December, 2007

18 

19 MICHAEL E. STEVENSON
20 Securities Administrator

21 Approved by:

22 

23 Martin Cordell
24 Chief of Enforcement

Presented by:

25 

Patrick Kim
Financial Legal Examiner