

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order Number S-07-574-09-SC01
Whether there has been a violation of the)
Securities Act of Washington by:) STATEMENT OF CHARGES AND
) NOTICE OF INTENT TO ENTER AN
Sant Ambrozic LLC; Jason Scott Sant, now) ORDER TO CEASE AND DESIST AND
known as Jim Brick; and Tyler Thomas) TO CHARGE COSTS
Ambrozic,)
)
)
Respondents)

THE STATE OF WASHINGTON TO: Sant Ambrozic LLC
Jim Brick, formerly known as Jason Sant
Tyler Ambrozic

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Sant Ambrozic LLC, Jason Scott Sant, and Tyler Thomas Ambrozic, 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 to charge costs. The Securities Administrator finds as follows:

Respondents

1. Sant Ambrozic LLC was a Washington limited liability company that was formed on September 26, 2006. Sant Ambrozic LLC held itself out as being in the business of real estate development. During 2007 and 2008, Sant Ambrozic LLC had its principal place of business in Kent, Washington.

1 2. Jason Scott Sant (“Sant”), who legally changed his name to Jim Brick in 2008, was a
2 managing member of Sant Ambrozic LLC. During 2007 and 2008, Sant was a licensed real
3 estate salesperson in the State of Washington.
4

5 3. Tyler Ambrozic (“Ambrozic”) was a managing member of Sant Ambrozic LLC.
6 During 2007 and 2008, Ambrozic was a licensed real estate salesperson in the State of
7 Washington.

8 Offering of Promissory Note and Deed of Trust Investments

9 4. Through broadcast email messages, Sant solicited people to attend real estate
10 investment seminars. Sant conducted and participated in the seminars, where he represented
11 that he had extensive experience with real estate investments. Sant introduced some of the
12 seminar participants to his business partner, Ambrozic, and to investment opportunities in Sant
13 Ambrozic LLC.
14

15 5. During 2007 and 2008, Sant Ambrozic LLC, Sant, and Ambrozic each offered and
16 sold at least two promissory note and deed of trust investments totaling at least \$275,000 to at
17 least three Washington investors. Each of the investments is now past due and, to date, none of
18 the investments have been repaid.
19

20 6. When offering and selling the promissory note and deed of trust investments, Sant
21 represented to two of the investors that they could increase their retirement funds by investing
22 with Sant Ambrozic LLC. Respondents each represented that each of the investors would earn
23 higher than market rates of interest on their investments.
24

25 7. Two promissory notes were issued by Sant Ambrozic LLC and both of the notes were
signed by Sant and Ambrozic. Each of the notes had a one-year term. One of the promissory

1 notes had a principal amount of \$200,000 and an annual interest rate of 12%. The \$200,000
2 note was made payable to a Washington corporation and was funded by \$100,000
3 contributions from two different investors. The other promissory note had a principal amount
4 of \$75,000 and an annual interest rate of 15%. The \$75,000 note was funded by another
5 investor and was to have been personally guaranteed by Sant and by Ambrozic.
6

7 8. Sant Ambrozic LLC, Sant, and Ambrozic each represented that the investors' funds
8 would be used to finance construction projects. Respondents represented that the proceeds
9 from the sale of the \$200,000 promissory note would be used to convert apartment complexes
10 into condominium units. Respondents represented that the proceeds from the sale of the
11 \$75,000 promissory note would be used to finance the construction of new condominium units
12 in Bremerton, Washington.
13

14 9. The investors did not participate in the management of Sant Ambrozic LLC and they
15 had no control over the use of their invested funds. The investors each relied upon
16 Respondents to generate a return on their investments. Respondents represented that investor
17 funds would be pooled together to fund construction projects and that Respondents would
18 share in the profits that would be generated by the investments.
19

20 Misrepresentations and Omissions

21 10. When offering and selling the promissory note and deed of trust investments, Sant
22 Ambrozic LLC, Sant, and Ambrozic each represented to the investors that their investments
23 would be fully secured by real estate deeds of trust. Respondents represented that the \$200,000
24 note would be secured by two deeds of trust for \$100,000 each. Although Respondents did
25 convey one deed of trust for \$100,000, Respondents each did not convey and did not record a

1 second deed of trust for \$100,000 to fully secure the \$200,000 investment. Respondents
2 represented that the \$75,000 note would be secured by one deed of trust for \$75,000.
3 Respondents each failed to record the deed of trust that was represented to secure the \$75,000
4 investment. Respondents each failed to give the investors real property title information for the
5 properties that were represented to secure their investments.
6

7 11. When offering and selling the promissory note and deed of trust investments,
8 Respondents each failed to disclose any specific use of proceeds for the investments.
9 Respondents each failed to disclose the amount of funds that would be required to complete
10 each project and the amount of funds to be raised. Respondents each failed to disclose the
11 risks of the investment, including the risk of having insufficient funds to complete the
12 construction projects. Respondents each failed to disclose their business operating history.
13 Respondents each failed to disclose that Respondents had limited experience in the real estate
14 development business. Respondents each failed to give the investors any financial information
15 or any financial statements for Sant Ambrozic LLC, for Sant, or for Ambrozic.
16
17

18 Failure to Appear and Testify

19 12. Sant and Ambrozic were each served with a subpoena by the Securities Division to
20 appear and testify regarding the offer and sale of investments, including any investments issued
21 by Sant Ambrozic LLC. Sant and Ambrozic each failed to appear and testify.
22

23 Registration Status

24 13. Sant Ambrozic LLC has never been registered to sell its securities in the State of
25 Washington and has never filed a claim of exemption from registration.

1 14. Jason Sant and Tyler Ambrozic are not currently registered as securities salespersons
2 or securities broker dealers in the State of Washington and have not previously been so
3 registered.
4

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

6 **CONCLUSIONS OF LAW**

7 I.

8 The offer or sale of the investments described above constitutes the offer or sale of a
9 security as defined in RCW 21.20.005(10) and (12), whether in the form of an investment
10 contract, a promissory note, or an evidence of indebtedness.
11

12 II.

13 Respondents, Sant Ambrozic LLC, Sant, and Ambrozic, each offered and sold securities
14 in violation of RCW 21.20.140 because no registration for such offer or sale is on file with the
15 Securities Administrator.
16

17 III.

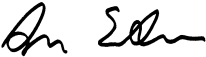
18 Sant and Ambrozic each offered and sold securities in violation of RCW 21.20.040 by
19 offering or selling said securities while not registered as a securities salesperson or securities
20 broker-dealer in the state of Washington.
21

22 IV.

23 Respondents, Sant Ambrozic LLC, Sant, and Ambrozic, each offered and sold securities
24 in violation of RCW 21.20.010 because Respondents each made untrue statements of a
25 material fact or omitted to state a material fact necessary in order to make the statements made,
in light of the circumstances under which they were made, not misleading.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Approved by:



Suzanne E. Sarason
Chief of Enforcement

Presented by:



Janet So
Enforcement Attorney

Reviewed by:



Martin Cordell
Financial Legal Examiner Supervisor