

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**

3 IN THE MATTER OF DETERMINING) Order Number S-10-022-10-FO01
4 Whether there has been a violation of the)
5 Securities Act of Washington by:) FINAL ORDER
6)
7)
8)
9)
10)
11)
12)
13)
14)
15)
16)
17)
18)
19)
20)
21)
22)
23)
24)
25)
Respondents)

8
9 **I. DIRECTOR'S CONSIDERATION**

10 A. Procedural History. This matter has come before the Director of the Department
11 of Financial Institutions of the State of Washington (Director) pursuant to RCW 34.05.464.
12 On May 5, 2010, the Director, through Securities Division Chief of Enforcement Suzanne
13 Sarason, entered a Statement of Charges and Notice of Intent to Enter an Order to Cease and
14 Desist and to Charge Costs ("Statement of Charges"). The Statement of Charges was
15 accompanied by a Notice of Opportunity to Defend and Opportunity for Hearing and an
16 Application for Adjudicative Hearing for Russillo's, LLC and Brandon Scott Russell. The
17 Statement of Charges, the Notice of Opportunity to Defend and Opportunity for Hearing, and
18 the Application for Adjudicative Hearing were personally served on Brandon Scott Russell by
19 ABC Legal Messengers on May 19, 2010. Respondents, Russillo's, LLC and Brandon Scott
20 Russell, each submitted an Application for Administrative Hearing dated June 1, 2010. On
21 July 7, 2010, the Director, through Securities Division Chief of Enforcement Suzanne Sarason,
22 entered an Amended Statement of Charges and Notice of Intent to Enter an Order to Cease and
23 Desist and to Charge Costs ("Amended Statement of Charges"). The Amended Statement of
24 Charges superseded and replaced the Statement of Charges. A copy of the Amended
25

FINAL ORDER

1 Statement of Charges is attached and incorporated into this order by this reference. On July
2 17, 2010, the Department served the Amended Statement of Charges on Russillo's, LLC and
3 Brandon Scott Russell by ABC Legal Messengers.
4

5 On July 23, 2010, the Department made a request to the Office of Administrative
6 Hearings (OAH) to assign an Administrative Law Judge (ALJ) to schedule and conduct a
7 hearing on the Amended Statement of Charges. On August 19, 2010, OAH issued a Notice of
8 Prehearing Conference by Telephone from ALJ Terry A. Schuh. The Notice of Prehearing
9 Conference by Telephone contained the following language: "*Default*: If you fail to appear or
10 participate in the pre-hearing conference, hearing, or any other scheduled stage of these
11 proceedings, you may lose your right to a hearing as described in RCW 34.05.440."
12

13 On September 16, 2010, the Department's representative, Assistant Attorney General
14 Charles Clark, attended the prehearing conference by telephone, but Russillo's, LLC and
15 Brandon Scott Russell each failed to appear or otherwise contact OAH. On September 22,
16 2010, ALJ Terry A. Schuh issued an Initial Order of Default and dismissed Russillo's, LLC
17 and Brandon Scott Russell's appeal of the Amended Statement of Charges.
18

19 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents had twenty (20) days
20 from the date of service of the Initial Order of Default to file a Petition for Review.
21

22 Respondents did not file a Petition for Review during the statutory period.
23

24 B. Record Presented. The record presented to the Director for his review and for
entry of a final decision included the following:

- 25 1. Statement of Charges, Notice of Opportunity to Defend and Opportunity for Hearing,
with documentation of service;
2. Application for Adjudicative Hearing for Russillo's, LLC and Brandon Scott Russell;

- 1 3. Amended Statement of Charges, Notice of Opportunity to Defend and Opportunity
2 for Hearing, with documentation of service;
- 3 4. Request to OAH for Assignment of Administrative Law Judge;
- 4 5. Notice of Prehearing Conference, dated August 19, 2010, with documentation of
5 service; and
- 6 6. Initial Order of Default, dated September 22, 2010, with documentation of service.

7 C: Factual Findings and Grounds for Order. Pursuant to RCW 34.05.461, the
8 Director hereby adopts the Amended Statement of Charges, which is attached hereto.

9
10 **II. FINAL ORDER**

11 Based upon the foregoing, and the Director having considered the record and being
12 otherwise fully advised, NOW, THEREFORE:

13 A. IT IS HEREBY ORDERED that:

- 14 1. Russillo's, LLC and Brandon Scott Russell shall each cease and desist from
15 any further violations of RCW 21.20.010, RCW 21.20.040 and RCW
16 21.20.140.
- 17 2. Brandon Scott Russell shall be liable for and shall pay costs of
18 \$2,500 for the investigation of his violations of the Securities Act of
Washington, chapter 21.20 RCW.

19 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents each have the
20 right to file a Petition for Reconsideration stating the specific grounds upon which relief is
21 requested. The Petition must be filed in the Office of the Director of the Department of
22 Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by
23 U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of
24 service of the Final Order upon Respondents. The Petition for Reconsideration shall not stay
25 the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking
judicial review in this matter.

FINAL ORDER

1 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from
2 the date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the
3 parties with a written notice specifying the date by which it will act on a petition.
4

5 C. Stay of Order. The Director has determined not to consider a Petition to
6 Stay the effectiveness of this order. Any such requests should be made in connection with a
7 Petition for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

8 D. Judicial Review. Respondents have the right to petition the superior court for
9 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the
10 requirements for filing a Petition for Judicial Review, see RCW 34.050.510 and sections
11 following.
12


13 E. Non-compliance with Order. If you do not comply with the terms of this
14 order, the Department may seek its enforcement by the Office of Attorney General to include the
15 collection of fines and fees imposed herein.
16

17 F. Service. For purposes of filing a Petition for Reconsideration or a Petition
18 for Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of
19 service attached hereto.

20 DATED this 21st day of December 2010.



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS


SCOTT JARVIS
Washington State Department of Financial Institutions

FINAL ORDER