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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Securities Act of Washington by:

Ronald Dean Bennett d/b/a  
Ron Bennett Commercial Real Estate;  
Ron & Marilyn Bennett, LLC,

Respondents.

Order No.: S-10-254-12-FO01

ENTRY OF FINDINGS OF FACT AND  
CONCLUSIONS OF LAW AND FINAL  
ORDER TO CEASE AND DESIST,  
TO IMPOSE A FINE, AND TO CHARGE COSTS

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**INTRODUCTION**

On March 7, 2012, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose Fines, and to Charge Costs, Order Number S-10-254-11-SC01 against Respondents Ronald Dean Bennett d/b/a Ron Bennett Commercial Real Estate, and Ron & Marilyn Bennett, LLC. The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing (“Notice”) and an Application for Adjudicative Hearing (“Application for Adjudicative Hearing”) were served on Respondents Ronald Dean Bennett d/b/a Ron Bennett Commercial Real Estate, and Ron & Marilyn Bennett, LLC.

On or about March 23, 2012, Respondents Ronald Dean Bennett and Ron & Marilyn Bennett, LLC returned the Application for Adjudicative Hearing and requested an administrative hearing. On November 16, 2012, Respondents Ronald Dean Bennett and Ron & Marilyn Bennett, LLC withdrew their request for an administrative hearing.

The Securities Administrator therefore will adopt as final the Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enter a final order against Respondents Ronald Dean Bennett and Ron & Marilyn Bennett, LLC to cease and desist from violations of the Securities Act, to impose a fine, and to charge costs. The Securities Administrator finds as follows:

ENTRY OF FINDINGS OF FACT AND  
CONCLUSIONS OF LAW AND FINAL  
ORDER TO CEASE AND DESIST, TO  
IMPOSE A FINE, AND TO CHARGE COSTS

1 **FINDINGS OF FACT**

2 Respondents

3 1. Ronald Dean Bennett (“Bennett”), also known as Ron Bennett, is a resident of Whatcom County,  
4 Washington. He obtained his real estate broker license and began doing business as “Ron Bennett  
5 Commercial Real Estate” (“RBCRE”) in 1976. RBCRE only provides commercial real estate brokerage  
6 services and is not involved with real estate development.

7 2. Ron & Marilyn Bennett, LLC (“Ron & Marilyn Bennett, LLC”) is an inactive Washington limited  
8 liability company established on October 21, 2005. Bennett and his wife, Marilyn Bennett, were the  
9 managing members of Ron & Marilyn Bennett, LLC. Ron & Marilyn Bennett, LLC was administratively  
10 dissolved on February 1, 2008.

11 Nature of the Offering

12 *Introduction*

13 3. From approximately 1979 through at least September 2011, Respondents offered and sold over \$26  
14 million worth of promissory notes to approximately 171 investors. Approximately 138 investors were  
15 Washington residents. These promissory notes were typically for one-year terms and offered interest rates  
16 which ranged from 6% to 12%. Some notes were secured by a deed of trust, but the majority of notes were  
17 unsecured. The Respondents sold at least 820 investments. Bennett ceased making interest payments to most  
18 investors in early 2010. To date, an estimated 134 investors still have an estimated \$23 million in  
19 outstanding investments with Bennett.  
20

21 4. Bennett raised funds from investors to use as working capital for his real estate business, to make  
22 payments to other investors, to use on a beef farm he formerly ran, and to acquire and make payments  
23 related to real property. Bennett purchased his most recent property in February 2008. Investor funds were  
24 typically deposited into a single bank account in the name of RBCRE and were pooled together with other  
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1 business operating funds. Investors did not have any control over the use of their funds and were not able to  
2 dictate how their funds were to be used. They relied upon Bennett to generate a return on their investment.

3 *Offer and Sale of Promissory Notes*

4 1979 – 2000

5 5. Beginning no later than 1979, Bennett began issuing promissory notes to individuals. These  
6 individuals were typically friends, real estate clients, or persons referred to Bennett by other investors. He  
7 started issuing notes because he had just started his business and did not qualify for bank financing. These  
8 notes were normally for a one-year term, and they would typically be renewed at the end of the term.  
9 Bennett typically set the interest rate at about two and a half percentage points higher than what the banks  
10 were offering. In the late 1980s or early 1990s, Bennett began securing notes with deeds of trust.

11 6. Bennett told some of these earlier investors, who purchased promissory notes from approximately  
12 1979 through 2000, that their investment funds would be used to purchase real estate or make monthly  
13 payments on other promissory notes. However, he typically did not disclose to investors how their funds  
14 would be used, and he failed to provide investors with any offering documents or financial statements.

15 2000 – 2011

16 7. Bennett continued to raise funds by issuing promissory notes into the 2000s. He thought he would  
17 not qualify for traditional bank loans because of his obligations on the promissory notes. From  
18 approximately 2000 through 2011, Bennett raised approximately \$19.5 million from investors. Most  
19 investors typically learned about the investment opportunity through word-of-mouth referral from friends or  
20 family members who had previously invested with Bennett. Many investors did not have a pre-existing  
21 relationship with Bennett and only met him through the promissory note investment program. Many were  
22 also members of the Whatcom County community and knew of Bennett that way.  
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1 8. Bennett would either contact investors who expressed an interest in the promissory note program, or  
2 prospective investors would contact him to inquire about the investments. He usually discussed the details  
3 with prospective investors over the telephone, although sometimes he would meet with them in-person.  
4 Many investors held multiple promissory notes with Bennett. Bennett would contact existing investors to  
5 solicit them for additional funds. Existing investors would also contact Bennett to ask if he had any  
6 investment opportunities available. Bennett generally told investors that their funds would be used in  
7 commercial real estate, and many investors thought that their funds would be used in real estate, for  
8 example, to purchase and sell property to big box stores such as Wal-Mart or Costco, or to develop property.  
9 At least one investor thought her funds would be used to “make” a shopping mall. Another investor thought  
10 her funds would be loaned to developers to use as interim financing until they were able to obtain other  
11 financing, but Bennett did not make such loans.

12 9. Bennett failed to provide investors with offering materials, disclosure documents, or financial  
13 statements. He also failed to disclose material information concerning his financial condition and ability to  
14 repay debts, including information concerning the number and dollar amount of outstanding promissory  
15 notes he issued.

16 10. The interest rates offered on the notes typically ranged from 6% to 12% and fluctuated with  
17 the economy. Bennett usually paid a higher interest in a bad economy because funds were more difficult to  
18 obtain. Investors provided funds for their promissory notes by wire transfer, mail, or hand delivery.  
19 Investors received a promissory note to evidence their investment. The notes were issued and signed by Ron  
20 Bennett personally, Ron Bennett as President of Ron Bennett Commercial Real Estate, or Ron Bennett as  
21 Manager of Ron & Marilyn Bennett, LLC.  
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1 11. Investors typically received monthly interest-only payments, although a few investors  
2 received quarterly interest-only payments or annual payments. Investors would receive interest checks in the  
3 mail, or the payments would be direct-deposited into the investor's bank account.

4 12. The promissory notes were typically for a one-year term. At the end of the one-year term, the  
5 notes were automatically renewed unless Bennett heard from the investor 30 days before the note matured.  
6 Bennett would mail the renewed promissory note to the investor.

7 13. Some of the investors were not sophisticated or accredited, and Bennett did not screen  
8 investors for net worth, income, or investment experience. Some investors were elderly and depended on  
9 their monthly interest payments for living expenses. At least one investor took out a line of credit to invest  
10 with Bennett.

11 14. Many investors decided to invest because of the high interest rates Bennett offered. Others  
12 invested based on the recommendations of friends or family members who had been investing with Bennett.  
13 At least one investor decided to invest because of Bennett's repeated assurances that the investment was  
14 secure and there was no risk involved.

15 15. Bennett failed to disclose any risks associated with the promissory notes and instead made  
16 several representations concerning the purported safety of the promissory notes. Several investors were told  
17 that they could receive their investment back with 30 days notice, although at least one investor was  
18 informed her investment was liquid and she could have her funds back whenever she wanted. Bennett also  
19 told at least one investor that in 30 years, he never missed a payment to an investor or "cheated a person out  
20 of a dime."  
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22 16. Bennett represented to an investor that during his lifetime, there were a few downturns in the  
23 real estate market that lasted four or five months, but there was always enough capital in his reserve to make  
24 interest payments to investors. Bennett, however, did not keep such a financial reserve. Bennett also told  
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1 this investor that land was the best thing to have because it always held its value, and there was little risk  
2 since he had done so well for many years.

3 17. Bennett represented to at least a couple investors that there was an insurance policy in place  
4 to protect them, but he did not explain how the policy would protect them or who the beneficiaries were.  
5 Contrary to what Bennett told these investors, there has only been one life insurance policy in place that  
6 named only one specific investor as a beneficiary.

7 *Secured Investments*

8 18. Although the majority of notes issued by Bennett were unsecured, he issued at least \$5  
9 million worth of secured promissory notes to at least 27 investors. Investors usually received a deed of trust  
10 if they requested security. Ron & Marilyn Bennett, LLC, which only issued notes secured by a deed of trust,  
11 issued approximately \$1.5 million worth of secured promissory notes to approximately eight investors from  
12 2005 through 2006. Bennett purportedly formed the entity for estate planning purposes and stopped using it  
13 for accounting reasons. In November 2005, Bennett and his wife transferred their interests in properties they  
14 owned to Ron & Marilyn Bennett, LLC via quitclaim deed. In February 2007, Ron & Marilyn Bennett, LLC  
15 quitclaimed the properties back to Bennett and his wife. According to records on the Whatcom County  
16 Auditor's Office website, Ron & Marilyn Bennett, LLC appears to currently own two properties (Properties  
17 C and D in the table below) with another individual, and has a 50% interest in those properties. Bennett  
18 failed to disclose to all investors that he was not the sole owner of those properties, or any implications that  
19 may have on an investor's ability to enforce their deed of trust. Bennett, not Ron & Marilyn Bennett, LLC,  
20 is listed as the grantor on some of the deeds of trust on Properties C and D.  
21

22 19. The promissory notes were generally secured by vacant land, although Bennett also placed  
23 investors on his residence and beef farm (Properties E, F, and G in the table below). None of the properties  
24 were income-producing. Bennett's plan was to hold the vacant land for about six to eight years before  
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1 selling it to big box retail stores such as Costco, Wal-Mart, or Sam's Club. When acquiring property,  
 2 Bennett typically made a 20% down payment. Investors holding deeds of trust on those properties were not  
 3 informed that Bennett did not own those properties outright.

4 20. As illustrated by the table below, which reflects the amount and number of deeds of trust  
 5 placed on each property as of December 2011, Bennett placed multiple deeds of trust on each property. The  
 6 table does not include deeds of trust that were previously reconveyed. Respondents failed to disclose to  
 7 investors the position they held on the securing property, information about any prior liens on the property,  
 8 or the risks associated with holding a subordinated deed of trust, including the fact that the investor might  
 9 lose his or her security interest if a property was foreclosed and there were inadequate proceeds to pay off  
 10 the subordinated lien. Respondents also failed to provide investors with any information about the real estate  
 11 utilized as security, including but not limited to, the assessed values of property, appraisals, or other material  
 12 information.

<u>Property</u>	<u>2010 Tax Assessed Value</u>	<u>Purchase Price</u>	<u>Bennett's Underlying Obligation on Property in 2011<sup>1</sup></u>	<u>Amount of Investor Deeds of Trust</u>	<u>Number of Investor Deeds of Trust</u>
<b>Property A</b>	\$ 145,500	\$ 300,000	\$ 275,000	\$ 740,000	13
<b>Property B</b>	\$ 458,400	Included above with Property A	Included above with Property A	\$ 1,649,450	23
<b>Property C</b>	\$ 761,800	\$1,750,000	\$ 1,400,000	\$ 594,000	8
<b>Property D</b>	\$ 643,500	Included above with Property C	Included above with Property C	\$ 610,000	6
<b>Property E</b>	\$ 573,756	\$ 285,000	None	\$ 893,599	7
<b>Property F &amp; G</b>	\$ 544,376	\$ 600,000	\$ 500,000	\$ 814,450	6

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 25 <sup>1</sup> This column represents Bennett's underlying obligation on the purchase of the properties as represented by Bennett's records and testimony.

*Tax Free Promissory Notes*

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2 21. From approximately April 2002 through May 2010, Bennett issued at least \$5.8 million  
3 worth of promissory notes that were purported to be subject to tax free treatment to at least 47 investors.  
4 According to Bennett, he stopped sending 1099 tax forms to some investors who did not want to pay taxes  
5 and told him they did not want to receive such forms.

6 22. Bennett told at least some investors that investment funds that went towards a church,  
7 medical park, or Native American tribal property would be considered tax free, meaning that the investor  
8 would not have to pay any taxes on the interest earned. The investors typically were not provided with any  
9 further information regarding these purported tax free notes. One investor whose funds purportedly went  
10 towards a church assumed the church would be using the funds to build or purchase property. Another  
11 investor thought that her investment in a medical park was tax free because hospitals are operated as non-  
12 profits. Contrary to what was represented to investors, funds from tax free promissory notes were not used  
13 for purposes that were different from other promissory notes. Bennett failed to disclose material information  
14 regarding such notes, including but not limited to, the basis, if any, for not having to pay taxes on such  
15 investments.  
16

*Failure to Disclose Use of Funds*

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18 23. As mentioned above in Paragraph 4, investor funds were typically deposited into a single  
19 bank account in the name of RBCRE and commingled with other RBCRE business operating funds. A  
20 review of the accounting records provided by Bennett shows that from January 2007 through May 2011, in  
21 addition to what appear to be business expenses, property-related expenses such as mortgage payments,  
22 draws to himself and his wife, and payments to investors going out from the bank account, Bennett was  
23 transferring a significant amount of funds from the RBCRE bank account to his beef farm's bank account.  
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1 24. Bennett began running the beef farm, which was in the business of breeding and selling  
2 animals, in 2003. From at least 2007, the farm was not a profitable business. The accounting records  
3 Bennett provided shows that the farm generated a net loss of \$409,745.36 in 2007, a net loss of \$493,017.81  
4 in 2008, a net loss of \$86,218.89 in 2009, and a net loss of \$113,243.28 in 2010. Although Bennett still  
5 owns the land, he has ceased farming operations and the farm is up for sale.

6 25. Bennett's accounting records show that in all, he transferred a total of approximately \$1.9  
7 million from RBCRE's bank account to the farm's bank account from 2007 through 2010, purportedly to  
8 purchase equipment for the farm, make improvements, and pay contractor invoices. In 2007, Bennett  
9 transferred a total of \$447,000 from RBCRE to the beef farm. In 2008, the amount transferred increased to  
10 \$1,002,000. In 2009, he transferred a total of \$339,500 to the beef farm. In 2010, he transferred  
11 approximately \$140,000 to the beef farm. Furthermore, it appears from the farm's accounting records that  
12 funds from several investors, totaling approximately \$160,000, may have been transferred or deposited into  
13 the farm's account in 2010.

14 26. Bennett also transferred funds from the RBCRE bank account to a bank account ("Mercantile  
15 account") he had for a commercial building he owned in Everson, Washington called the Mercantile  
16 Building. He would transfer funds if there were not enough funds in the Mercantile account to pay the bills.  
17 Bennett's accounting records show that although the Mercantile Building was supposed to be an income-  
18 producing property, the building generated a net loss in 2007, 2008, and 2009. The records further show that  
19 from 2007 through May 2011, Bennett transferred a total of \$65,800 from the RBCRE bank account to the  
20 Mercantile account. The Mercantile Building was sold at a Trustee's Sale for \$304,044.41 on July 15, 2011.

21 27. Since investor funds were commingled with other funds in RBCRE's bank account, Bennett  
22 could not tell which investors' funds were used on the farm or on the Mercantile Building. Bennett failed to  
23 disclose to investors that RBCRE's bank account operated in this way; that is, that investor funds were  
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1 commingled with other business operating funds so that he could not determine how an investor's funds  
2 were used. He also failed to disclose to investors that their funds could be used on his beef farm or on the  
3 Mercantile Building, and he failed to provide investors with any financial information concerning the farm  
4 or the Mercantile Building.

5 28. Bennett misrepresented the use of funds to at least two investors. Bennett told one investor,  
6 who invested \$100,000 in a secured promissory note in December 2008, that the investor's funds would go  
7 towards the purchase of the property that the investor was issued the deed of trust on. That property,  
8 however, had already been purchased approximately four years earlier, in July 2004. A Notice of Trustee's  
9 Sale was filed with the Whatcom County Auditor's Office on or about April 12, 2011, and the investor first  
10 learned of other deeds of trust on the property upon receiving the foreclosure notice. At the time the  
11 investor's deed of trust was recorded, his deed of trust was in 22<sup>nd</sup> position.

12 29. Bennett represented to another investor, who invested a total of \$15,000 in December 2010  
13 and February 2011, that he needed funds for "a closing" he was conducting. However, instead of using the  
14 funds towards the stated purpose, Bennett used the investor's funds to make interest payments to another  
15 investor.  
16

17 *Failure to Disclose Financial Condition of Ron Bennett Commercial Real Estate*

18 30. From at least 1995, RBCRE was unable to generate sufficient income from its real estate  
19 business, such as commissions and leasing fees, to pay the expenses on the promissory notes. At that point,  
20 Bennett began using new investor funds to make payments to existing investors.

21 31. Bennett's records show that his obligations on the promissory notes typically increased each  
22 year. Data from the records Bennett provided show that in 2007, he paid approximately \$2.6 million to  
23 investors in interest payments and redemptions. He paid over \$1.6 million in interest payments alone.  
24 Monthly interest expenses ranged from approximately \$132,000 to \$145,000 per month, which exceeded the  
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1 income generated by his commercial real estate business in all months but one. In 2008, Bennett paid  
2 approximately \$2.9 million to investors in interest payments and redemptions. Of that amount, over \$1.9  
3 million was for interest payments alone, which ranged from approximately \$147,000 to \$175,000 per month  
4 and exceeded the income generated by his commercial real estate business in every month. In 2009, Bennett  
5 paid about \$3.3 million to investors in interest payments and redemptions. He paid over \$2.2 million in  
6 interest payments that year, which ranged from approximately \$178,000 to \$197,000 per month and  
7 exceeded the income generated by his commercial real estate business in all but one month. In fact, there  
8 were eight months where his commercial real estate business generated no income. In 2010, Bennett paid  
9 about \$887,000 in interest payments and redemptions, and from January through May 2011, he paid  
10 approximately \$94,000 in interest payments and redemptions.

11 32. RBCRE typically generated income from the following sources: real estate brokerage  
12 commissions, real property sales, lease fees, and management income. As illustrated by the table below, the  
13 accounting records Bennett provided show that from at least 2007, which was the earliest year that Bennett  
14 provided accounting records for, RBCRE had been operating at a net loss, and the revenue it generated was  
15 never enough to cover its expenses, which included interest payments on the promissory notes. Therefore, at  
16 least some of the money raised from new investors was used to make interest payments to existing ones.  
17 Records show that Bennett raised at least \$2.8 million from investors in 2007, at least \$4.2 million in 2008,  
18 and at least \$3.3 million in 2009. Bennett failed to disclose to investors that the interest payments made to  
19 investors were dependent on his ability to continue to bring in funds from other investors, or that some  
20 investors were being repaid with funds raised from other investors, not those generated from business  
21 activities. He also failed to disclose that investor funds could be used to make payments to other investors.  
22 Rather, most investors believed that their funds would be invested in commercial real estate.  
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<u>YEAR</u>	<u>REVENUE</u>	<u>EXPENSES</u>	<u>NET INCOME (NET LOSS)</u>
2007	\$940,631.50	\$1,842,985.45	(\$902,353.83)
2008	\$178,037.91	\$2,142,083.11	(\$1,962,666.23)
2009	\$415,139.61	\$2,442,660.32	(\$2,027,380.71)
2010	\$52,541.00	\$622,850.42	(\$570,309.42)

33. Bennett began defaulting on the promissory notes in January or February 2010, although he has continued to make payments to several investors, usually those who would call him. Starting in approximately March 2010, Bennett requested that some investors modify their promissory notes and accept lower interest rates. He issued several modified promissory notes with a decreased interest rate of 6%. Bennett also issued approximately twenty promissory notes that were made up of missed interest payments. Bennett failed to provide these investors with any financial statements or offering documents, and he failed to disclose any information about his ability to make payments on the notes.

34. Despite RBCRE's inability to generate enough income to continue paying interest on the promissory notes, and the fact that many notes were in default, Bennett continued to raise funds from investors throughout 2010 and 2011. He raised at least \$1.1 million in 2010 and approximately \$21,384 from January 2011 through May 2011. Bennett anticipated making payments to at least some of these investors by raising money from new investors, which was not disclosed to the investors. Bennett failed to provide any information concerning his financial condition or ability to pay, including the fact that he owed over \$20 million to investors and many promissory notes were in default. In fact, he represented to one elderly investor in the fall of 2010, after he had already defaulted on many promissory notes, that "everything was going pretty good," and he had a chance to purchase a shopping mall. He offered to pay her 10.5% interest if she invested additional funds. This elderly investor, who invested a total of \$150,000 with

1 Bennett, depended on the income from her investments with Bennett to pay for her medical and living  
2 expenses. She did not have any investment experience prior to investing with Bennett, and had only  
3 purchased CDs and kept her funds in the bank.

4 35. Bennett issued a promissory note as recently as late September or early October 2011 to a  
5 new investor. He was to pay 7.5% interest to the investor. Bennett used the investor's funds to pay interest  
6 expenses to another investor. He failed to disclose this fact to the investor.

7 Registration Status

8 1. Ronald Dean Bennett d/b/a Ron Bennett Commercial Real Estate is not currently registered to sell  
9 his securities in the State of Washington and has not previously been so registered.

10 2. Ron & Marilyn Bennett, LLC is not currently registered to sell its securities in the State of  
11 Washington and has not previously been so registered.

12 3. Ronald Dean Bennett d/b/a Ron Bennett Commercial Real Estate is not currently registered as a  
13 securities salesperson or broker-dealer in the State of Washington and has not previously been so registered.

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16 Based upon the above Findings of Fact, the following Conclusions of Law are made:

17 **CONCLUSIONS OF LAW**

18 1. The offer or sale of the promissory notes described above constitutes the offer and/or sale of a  
19 security as defined in RCW 21.20.005(14) and (17).

20 2. Ronald Dean Bennett d/b/a Ron Bennett Commercial Real Estate violated RCW 21.20.040 by  
21 offering or selling securities while not registered as a securities salesperson or broker-dealer in the State of  
22 Washington.

23 3. The offer and/or sale of said securities were in violation of RCW 21.20.140 because no registration  
24 for such offer and/or sale is on file with the Securities Administrator.

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

### 5 **FINAL ORDER**

6 Based upon the foregoing and finding it in the public interest:

7 It is hereby ORDERED that Respondent Ronald Dean Bennett d/b/a Ron Bennett Commercial Real  
8 Estate and his agents and employees each shall cease and desist from violating RCW 21.20.040, the  
9 securities broker-dealer and securities salesperson registration section of the Securities Act of Washington.

10 It is further ORDERED that Respondents Ronald Dean Bennett d/b/a Ron Bennett Commercial Real  
11 Estate, and Ron & Marilyn Bennett, LLC and their agents and employees each shall cease and desist from  
12 violating RCW 21.20.140, the securities registration section of the Securities Act of Washington.

13 It is further ORDERED that Respondents Ronald Dean Bennett d/b/a Ron Bennett Commercial Real  
14 Estate, and Ron & Marilyn Bennett, LLC and their agents and employees each shall cease and desist from  
15 violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

16 It is further ORDERED that Respondent Ronald Dean Bennett d/b/a Ron Bennett Commercial Real  
17 Estate shall be liable for and shall pay a fine of \$80,000.

18 It is further ORDERED that Respondent Ronald Dean Bennett d/b/a Ron Bennett Commercial Real  
19 Estate shall be liable for and shall pay investigative costs of \$70,000.

### 20 **AUTHORITY AND PROCEDURE**

21 This Final Order is entered pursuant to the provisions of RCW 21.20.390 and is subject to the  
22 provisions of RCW 21.20.440 and Chapter 34.05 RCW. The Respondents have the right to petition the  
23 superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW. For the  
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1 requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following. Pursuant  
2 to 21.20.395, a certified copy of this order may be filed in Superior Court. If so filed, the clerk shall treat the  
3 order in the same manner as a Superior Court judgment as to the fine, and the fine may be recorded, enforced,  
4 or satisfied in like manner.

5  
6 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

7  
8 Dated and Entered this 19th day of November, 2012.

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11 WILLIAM M. BEATTY  
12 Securities Administrator

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14 Approved by:

15 

16 Suzanne E. Sarason  
17 Chief of Enforcement

18 Presented by:

19 

20 Robert Kondrat  
21 Financial Legal Examiner Supervisor