



1 2. Dalyn Scott Judd (“Judd”) is the President and Chief Executive Officer of Better World  
2 Materials. Judd was President of Better World Materials during 2011 and was Co-President of Better  
3 World Materials during 2010. At that time, Judd was a Washington resident.

4 3. Mark K. Abney (“Abney”) was the President and Chief Executive Officer of Better World  
5 Materials during 2010. Abney is a Washington resident.

6 Offering of Common Stock

7 4. From April 2010 through September 2011, Respondents offered and sold approximately  
8 \$1,475,000 worth of Better World Materials common stock at \$1 per share to approximately 400  
9 shareholders. During that time, Better World Materials offered and sold approximately \$970,000  
10 worth of its common stock at \$1 per share to approximately 175 Washington shareholders.

11 5. When offering and selling common stock in Better World Materials, Respondents each  
12 personally solicited investors and prospective investors. To encourage investments in Better World  
13 Materials, Respondents participated in Webinar presentations about the company. Respondents each  
14 gave investors private placement memorandums that described the offering of Better World Materials  
15 common stock and Respondents each directed investors to fill out purchaser questionnaires before  
16 accepting common stock investments. Abney and Judd each signed stock certificates that were  
17 issued in connection with sales of Better World Materials common stock.

18 Misrepresentations and Omissions

19 6. When offering and selling the stock, Respondents each failed to disclose risks associated  
20 with the investment, including competition, technology risks, and operational risks. Respondents  
21 each failed to specify the intended use of investor funds. Respondents each failed to disclose to  
22 investors the minimum amount of capital that was required by the company. Respondents each failed  
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24  
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1 to disclose that investors might lose their entire investment because Better World Materials was  
2 inadequately capitalized.

3 7. When offering and selling the stock, Respondents each failed to disclose financial  
4 information about the company. Respondents each failed to disclose to investors that during 2010  
5 Better World Materials had no income and had an annual net loss of more than \$845,000.

6 8. When offering and selling the stock, Respondents each misrepresented the company's  
7 projected net worth and failed to disclose the basis and assumptions for financial projections.  
8 Respondents gave investors a 2010 business plan that included financial projections. The projections  
9 indicated that Better World Materials would have a net worth of more than \$15.6 million by the end  
10 of fiscal year 2011 and a net worth of more than \$202 million by the end of fiscal year 2015. There  
11 was no reasonable basis for the projected net worth.  
12

13 9. When offering and selling the stock, Respondents each misrepresented the company's  
14 potential profits and failed to disclose the basis and assumptions for projected profits. Respondents  
15 gave investors private placement memorandums that described the offering of common stock. The  
16 private placement memorandums included profit projections for Better World Materials. These  
17 projections indicated that Better World Materials would have more than a \$290 million net profit in  
18 year 2 and more than a \$1 billion net profit in year 4. There was no reasonable basis for the projected  
19 profits.  
20

#### 21 Offers and Sales of Stock to Non-accredited Investors

22 10. When offering and selling Better World Materials common stock, Respondents each falsely  
23 represented in the private placement memorandum that the stock would only be sold to accredited  
24 investors. Respondents gave investors suitability questionnaires to complete before purchasing the  
25 stock. Some of the questionnaires were not completed. Some questionnaires showed that investors

1 had a net worth of less than one million dollars and an individual annual income of less than  
2 \$200,000 during the last two years. Some responses to the questionnaires appeared inconsistent with  
3 representations that the investor had a net worth of more than \$1 million or an annual income of more  
4 than \$200,000 for the last two years.

5 Registration Status of Respondents

6 11. Better World Materials is not currently registered to sell its securities in the state of  
7 Washington and has not previously been so registered.

8 12. Judd has never been registered as a securities broker-dealer or as a securities salesperson in  
9 the state of Washington.

10 13. Abney has never been registered as a securities broker-dealer or as a securities salesperson  
11 in the state of Washington.

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

13 **CONCLUSIONS OF LAW**

14 1. As set forth in the Tentative Findings of Fact, the offer or sale of the common stock  
15 described above constitutes the offer or sale of a security as defined in RCW 21.20.005(14) and (17).

16 2. As set forth in the Tentative Findings of Fact, Respondents, Better World Materials,  
17 Judd, and Abney, have each made untrue statements of material fact or omitted to state material facts  
18 necessary in order to make the statements made, in the light of the circumstances under which they  
19 are made, not misleading, in violation of RCW 21.20.010, the anti-fraud section of the Securities Act  
20 of Washington.

21 3. As set forth in the Tentative Findings of Fact, Respondents, Better World Materials,  
22 Judd, and Abney, have each offered and sold unregistered securities in violation of RCW 21.20.140,  
23 the securities registration section of the Securities Act of Washington.  
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1 \$1,000 shall be applied to costs. The third payment of \$1,000 shall be split: \$500 shall be applied to  
2 costs and \$500 shall be applied to the fine. The remaining seven payments of \$1,000 shall be applied to  
3 the fine.

4 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent  
5 Order.

6 IT IS FURTHER AGREED that Respondents, Better World Materials Inc. and Dalyn S. Judd,  
7 each enter into this Consent Order freely and voluntarily and with a full understanding of its terms and  
8 significance.

9 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents, Better World  
10 Materials Inc. and Dalyn S. Judd, each waive their right to a hearing and to judicial review of this matter  
11 pursuant to RCW 21.20.440 and Chapter 34.05 RCW.  
12

13 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

14  
15 Signed this \_\_\_9th\_\_\_ day of \_\_\_\_\_May\_\_\_\_\_, 2012

16  
17 Signed:  
18 Better World Materials Inc.

Approved for entry by:

19 By:  
20 /s/ Dalyn S. Judd

/s/ James C. Lewis

21 \_\_\_\_\_  
22 Dalyn S. Judd, President

\_\_\_\_\_  
James C. Lewis  
Attorney for Respondents

23 Signed by:  
24 /s/ Dalyn S. Judd

25 \_\_\_\_\_  
Dalyn S. Judd, Individually

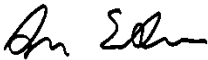
1 SIGNED and ENTERED this 5th day of June, 2012

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4 WILLIAM M. BEATTY  
5 Securities Administrator

6 Approved by:

Presented by:

7  
8 

9 Suzanne E. Sarason  
10 Chief of Enforcement



11 Janet So  
12 Enforcement Attorney

13 Reviewed by:



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15 \_\_\_\_\_  
16 Robert Kondrat  
17 Financial Legal Examiner Supervisor