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

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

Better World Materials Inc., Dalyn S. Judd,
and Mark K. Abney,

Respondents

Order Number S-11-004-12-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
AS TO MARK K. ABNEY

On March 13, 2012, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist, to Impose a Fine, and to Charge Costs (“Statement of Charges”), Order Number S-11-004-12-SC01, against Respondents, Better World Materials, Inc., Dalyn S. Judd, and Mark K. Abney. 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 Hearing”) were served on Respondent Mark K. Abney on March 18, 2012.

The Notice advised that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of receipt of the Notice. Respondent Mark K. Abney failed to request an administrative hearing within twenty days of receipt of the Statement of Charges, either on the Application for Hearing provided or otherwise.

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

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1 Mark K. Abney to cease and desist from violations of the Securities Act, and to impose a fine
2 and charge costs.

3 The Securities Administrator makes the following Findings of Fact and Conclusions of
4 Law:
5

6 **FINDINGS OF FACT**

7 Respondents

8 1. Better World Materials Inc. (“Better World Materials”) is a Wyoming corporation
9 that was incorporated on February 26, 2010. Better World Materials is a start-up company
10 that has a process for heating shredded plastics and forming them into building materials.
11 The company wants to use garbage to manufacture and sell “environmentally friendly”
12 products. During 2010, Better World Materials had its principal place of business in
13 Spanaway, Washington. In 2011, the company moved its principal place of business to
14 Kearns, Utah.
15

16 2. Dalyn Scott Judd (“Judd”) is the President and Chief Executive Officer of Better
17 World Materials. Judd was President of Better World Materials during 2011 and was Co-
18 President of Better World Materials during 2010. At that time, Judd was a Washington
19 resident.
20

21 3. Mark K. Abney (“Abney”) was the President and Chief Executive Officer of Better
22 World Materials during 2010. Abney is a Washington resident.
23
24

25 Offering of Common Stock

1 2010 Better World Materials had no income and had an annual net loss of more than
2 \$845,000.

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

11
12 9. When offering and selling the stock, Respondents each misrepresented the
13 company's potential profits and failed to disclose the basis and assumptions for projected
14 profits. Respondents gave investors private placement memorandums that described the
15 offering of common stock. The private placement memorandums included profit
16 projections for Better World Materials. These projections indicated that Better World
17 Materials would have more than a \$290 million net profit in year 2 and more than a \$1
18 billion net profit in year 4. There was no reasonable basis for the projected profits.
19

20 Offers and Sales of Stock to Non-accredited Investors

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

Some questionnaires showed that investors had a net worth of less than one million dollars

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

6 Registration Status of Respondents

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

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

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

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

14 **CONCLUSIONS OF LAW**

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

18 2. As set forth in the Findings of Fact, Respondent Mark K. Abney has made
19 untrue statements of material fact or omitted to state material facts necessary in order to
20 make the statements made, in the light of the circumstances under which they are made, not
21 misleading, in violation of RCW 21.20.010, the anti-fraud section of the Securities Act of
22 Washington.
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1 **AUTHORITY AND PROCEDURE**

2 This Final Order is entered pursuant to the provisions of RCW 21.20.390 and RCW
3 21.20.395 and is subject to the provisions of RCW 21.20.440 and chapter 34.05 RCW. The
4 Respondent has the right to petition the superior court for judicial review of this agency action
5 under the provisions of chapter 34.05 RCW. For the requirements for filing a Petition for
6 Judicial Review, see RCW 34.050.510 and sections following. Pursuant to RCW 21.20.395, a
7 certified copy of this order may be filed in Superior Court. If so filed, the clerk shall treat the
8 order in the same manner as a Superior Court judgment as to the fine and costs and the fine
9 may be recorded, enforced, or satisfied in like manner.
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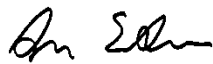
12 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

13 Signed and Entered this 26th day of April, 2012

14
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16
17 _____
18 WILLIAM M. BEATTY
19 Securities Administrator

20 Approved by:

21 

22
23 _____
24 Suzanne E. Sarason
25 Chief of Enforcement

Reviewed by:

Presented by:

21 

22
23 _____
24 Janet So
25 Enforcement Attorney

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Robert Kondrat
Financial Legal Examiner Supervisor

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