



1 \$335,000 for the consulting services he provided as director of Express. Kinnear is a Washington resident.

2 4. George Todd (“Todd”) acted as a financial consultant and fundraiser for Showdown. For each investor that  
3 Todd introduced to Showdown, he earned commission payments of five to ten percent of the investment funds. Todd  
4 has a website, www.georgetodd.com, on which he gives himself the title “Virtual VP of Finance and Consultant” and  
5 claims that he has helped raise tens of millions in capital for his clients. On his website, Todd states that he helped  
6 produce a proforma plan and procure angel funding for Showdown. Todd was a Washington resident at the time he  
7 worked for Showdown; he now resides in California.

8 Nature of the Offering

9 5. Between 2004 and 2008, Respondents solicited over 100 prospective investors to invest in Showdown’s  
10 membership interests. Showdown sold over \$5 million of its membership interests to over 45 investors, of whom at  
11 least 35 were located in Washington. Other investors were located in Arizona, California, Florida, Montana, Texas,  
12 and British Columbia. Showdown planned to use members’ funds to retire costs associated with proprietary  
13 equipment, obtain sponsors, affiliate with merchandising companies, create website material, and produce between 10  
14 and 50 motor sports shows. Showdown’s motor sports events involved stationary racecars competing in virtual races,  
15 the winner of which was determined by how fast each car’s wheels spun. These cars were situated on Showdown’s  
16 proprietary platforms, which registered the vehicles’ wheel speeds. The statistics were then displayed on large  
17 screens in the event venue. Ultimately, Showdown was able to produce two arena events.

18 6. Todd and Kinnear identified prospective investors by calling their friends, associates, and acquaintances to  
19 see if they or someone they knew were interested in investing in Showdown. In their solicitation of prospective  
20 investors, Respondents highlighted that Kinnear founded the Gorge Amphitheater.

21 7. After Todd and Kinnear identified prospective investors, Kinnear typically conducted a PowerPoint  
22 presentation for prospective investors. During these presentations Kinnear pointed out his experience in the  
23 entertainment business, the nature of Showdown’s business, statistics regarding the motor sports industry,  
24 Showdown’s fundraising timelines, and Showdown’s offering summary and profit projections.

25 8. Among Respondents’ projections were the representations that investors would, at minimum, receive a return

of 30 times their investments within 36 months, and that Showdown's business activities would result in collective distributions and returns on investment ("ROI") that increased exponentially over a three-year period. The following table illustrates Respondents' distribution projections and ROI estimations:

Year	Projected Distributions to Investors	Estimated Return on Investment
2007	\$7,630,697	125% - 561%
2008	\$29,646,713	191% - 1364%
2009	\$54,254,757	293% - 2318%

In his presentations, Kinnear also indicated that investors would realize an "ROI of 20X" and that a \$4 million investment would result in a return of \$80 million.

9. Showdown solicited investment for nine different membership classes, identified by letters A through I. Showdown had at least 55 members, of which 39 were Class G members. Classes were entitled to varying levels of monetary distributions and some had dilution protections while others did not. Showdown purportedly offered one class of membership interests until it reached a financial goal, then closed that class and began offering another class under less favorable terms. Respondents failed to keep track of all of their investment solicitations.

10. When prospective investors showed further interest, Kinnear typically would provide them with offering materials and collect their investment funds. Most investors purchased Showdown's membership interests for cash, while others obtained the interests in exchange for services. Showdown also traded its membership interests for an interest in a Canadian company.

11. After it received investors' funds, Showdown paid for specialty vehicles, advertising, event production and office equipment, insurance, rent, utilities, and consulting fees, among other things. Within four years, the company spent the over \$5 million it received from investors. This left Showdown with less than \$2,000 by June 2008.

12. After it exhausted its liquid capital, Showdown sought to raise additional funds to pay its obligations and expansion costs by selling \$5 million of debt units. Debt unit purchasers could elect to convert debt units to Class I membership interests or to receive pro rata payments from a portion of Showdown's gross ticket proceeds until twice the debt unit price was repaid. Five investors purchased a total of \$115,000 in debt units. Despite the additional investment, Showdown ceased operations and became inactive by September 2010.

13. Showdown never repaid or made monetary distributions to investors.

Misrepresentations and Omissions

14. When soliciting investment in Showdown, Respondents failed to provide material information to prospective investors including information concerning Showdown's operational and financial history, the risk of inadequate capitalization, economic risks, whether salespersons or broker-dealers it used were licensed, how dilution would impact investors' interests, reasonably detailed estimates of expenses incurred in connection with the sale of securities, and the remuneration paid or to be paid to Respondents.

15. Respondents' projections, as described in paragraph eight above, were misleading. Respondents failed to provide a reasonable basis for the projections and failed to provide adequate limitations on the projections.

Registration Status

16. Showdown is not currently registered to sell securities in the state of Washington and has not previously been so registered.

17. Express is not currently registered as a securities salesperson or broker-dealer, or to otherwise sell securities in the state of Washington, and has not previously been so registered.

18. Kinnear is not currently registered as a securities salesperson or broker-dealer, or to otherwise sell securities in the state of Washington, and has not previously been so registered.

19. Todd is not currently registered as a securities salesperson or broker-dealer, or to otherwise sell securities in the state of Washington, and has not previously been so registered.

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

**CONCLUSIONS OF LAW**

1. The offer or sale of membership interests and debt units as described above constitute the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

2. The offer and sale of said securities is in violation of RCW 21.20.040 because George Todd offered and/or sold said securities while not registered as a securities salesperson or broker-dealer in the state of Washington.

3. The offer and/or sale of said securities is in violation of RCW 21.20.140 because no registration for such an offer and/or sale is on file with the Securities Administrator, state of Washington.

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

4 **CONSENT ORDER**

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

6 IT IS AGREED AND ORDERED that Respondent, George Todd, his agents and employees each shall cease  
7 and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

8 IT IS FURTHER AGREED AND ORDERED that Respondent, George Todd, his agents and employees each  
9 shall cease and desist from violating RCW 21.20.040, the securities salesperson and broker-dealer registration section  
10 of the Securities Act of Washington.

11 IT IS FURTHER AGREED AND ORDERED that Respondent, George Todd, his agents and employees each  
12 shall cease and desist from violating RCW 21.20.140, the securities registration section of the Securities Act of  
13 Washington.

14 IT IS FURTHER AGREED AND ORDERED that Respondent, George Todd, shall be liable for and shall pay  
15 a fine of \$5,000.

16 IT IS FURTHER AGREED AND ORDERED that Respondent, George Todd, shall be liable for and shall pay  
17 investigative costs of \$1,000.

18 IT IS FURTHER AGREED AND ORDERED that Respondent, George Todd, shall make an initial payment  
19 of \$250 on or before the entry of this Consent Order and, beginning in September 2013, shall then make monthly  
20 payments for six consecutive months consisting of four payments of \$250, followed by a fifth payment of \$750 and a  
21 final payment of \$4,000. Each payment shall be due on the last day of the month, unless the last day of the month falls  
22 on a weekend or holiday, in which case payment shall be due on the first business day following the last day of the  
23 month.

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

25 IT IS FURTHER AGREED that Respondent, George Todd, entered into this Consent Order freely and

voluntarily and with a full understanding of its terms and significance.

IT IS FURTHER AGREED that in consideration of the foregoing, Respondent, George Todd, waives his right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

IT IS FURTHER AGREED that this Consent Order alone will not constitute a bar to the approval of any new or pending application of George Todd for registration as a broker-dealer or securities salesperson, and that "Bad Actor" Disqualification, 78 Fed. Reg. 44,730, 44,770 (July 24, 2013) (to be codified at 17 C.F.R. § 230.506(d)(1)), should not arise as a consequence of this Consent Order alone.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

Signed this 29th day of August 2013.

Signed by:

Approved as to Form by:

/s/ George Todd, Individually

/s/ Bruce Butcher, WSBA #413

SIGNED and ENTERED this 10th day of September 2013.

William M. Beatty  
Securities Administrator

Approved by:

Presented by:

Suzanne Sarason  
Chief of Enforcement

Drew Stillman  
Enforcement Attorney

Reviewed by:

  
Jack McClellan

CONSENT ORDER

Financial Legal Examiner Supervisor

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