1 STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS **SECURITIES DIVISION** 3 4 IN THE MATTER OF DETERMINING Order Number S-12-0899-12-SC01 whether there has been a violation of the 5 Securities Act of Washington by: STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER AN ORDER TO 6 UniHost Corporation, CEASE AND DESIST AND TO CHARGE 7 Wasantha Weerasekera, and COSTS Richmond F. Richardson, 8 Respondents 9 10 THE STATE OF WASHINGTON TO: **UniHost Corporation** 11 Wasantha Weerasekera Richmond Ferdinand Richardson 12 13 STATEMENT OF CHARGES 14 Please take notice that the Securities Administrator of the State of Washington has reason 15 to believe that Respondents, UniHost Corporation, Wasantha Weerasekera, and Richmond F. 16 17 Richardson, have each violated the Securities Act of Washington and that their violations 18 justify the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and 19 desist from such violations and to charge costs. The Securities Administrator finds as follows: 20 TENTATIVE FINDINGS OF FACT 21 Respondents 22 23 1. UniHost Corporation ("UniHost") is a Washington corporation that was 24 incorporated on December 5, 2000. 25 2. Wasantha Weerasekera ("Weerasekera") was a Washington resident and the Chief Executive Officer and President of UniHost. DEPARTMENT OF FINANCIAL INSTITUTIONS STATEMENT OF CHARGES AND NOTICE OF

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INTENT TO ENTER AN ORDER TO CEASE AND

DESIST AND TO CHARGE COSTS

Securities Division

Olympia, WA 98507-9033

PO Box 9033

360-902-8760

3. Richmond F. Richardson ("Richardson") was a Washington resident and the Secretary of UniHost.

Offering of Stock

- 4. During 2007, Respondents offered and sold at least \$20,000 worth of common stock in UniHost to at least two Washington investors. Respondents later made two repayments totaling \$1,000. The investors did not receive any other return on their investments.
- 5. When offering the stock, Respondents each met with the investors and presented the investment opportunity. Richardson and both of the investors were Haitian immigrants.
- 6. When offering the stock, Respondents each represented to the investors that UniHost was a start-up company that would offer discounts to employees who worked in the hospitality industry. Respondents each represented that UniHost's "business partners" offered discounts on travel and entertainment expenses, including hotel bookings, rental cars, and airfares. Respondents showed the investors an Internet website located at www.employeerates.com. The website listed businesses that Respondents represented were UniHost's "business partners." Respondents represented that UniHost would generate income through fees that were paid by its "business partners." Richardson represented to the investors that Richardson and Weerasekera had both worked for many years in the hospitality industry and knew the industry well. Weerasekera represented to the investors that the company's goal was to have a return of millions of dollars within a few years for all of the original owners of UniHost. Weerasekera also represented that investors would earn at least \$200,000 on a \$10,000 investment within two to five years.

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7. When discussing the investment, Richardson initially told the investors that they could not invest in UniHost because there was a \$100,000 minimum investment. Later, Richardson told the investors that he thought they would be able to invest because Weerasekera had allowed his brother to invest \$10,000 in UniHost. However, Richardson represented to the investors that any new investors would be required to invest a minimum of \$100,000.

Misrepresentations and Omissions

8. When offering and selling the stock, Respondents each falsely represented to the investors that they could have their money back at any time upon request. Respondents each failed to disclose the specific intended use of the investors' proceeds. Respondents did not give one of the investors any written materials about the investment. Respondents did not give either of the investors any financial statements for UniHost and did not disclose the assets, the liabilities, the capitalization, the fee structure, the expenses, and the historical operating results for UniHost. Weerasekera and Richardson each falsely represented to the investors that the investment had no risk. Respondents each failed to disclose significant risks of the investment, including competition, illiquidity, the minimum amount of capital that was required to achieve a specified objective, inadequate capitalization, inadequate sales, and the risks of investing in an unproven market and an unproven business.

Registration Status of Respondents

9. UniHost Corporation is not currently registered to sell its securities in the state of Washington and has not previously been so registered.

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

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

CONCLUSIONS OF LAW

- As set forth in the Tentative Findings of Fact, the offer or sale of the common stock described above constitutes the offer or sale of a security, as defined in RCW 21.20.005(14) and (17).
- 2. As set forth in the Tentative Findings of Fact, Respondents, UniHost Corporation, Wasantha Weerasekera, and Richmond F. Richardson, have each made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in violation of RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.
- 3. As set forth in the Tentative Findings of Fact, Respondents, UniHost Corporation, Wasantha Weerasekera, and Richmond F. Richardson, have each offered and sold unregistered securities in violation of RCW 21.20.140, the securities registration section of the Securities Act of Washington.
- 4. As set forth in the Tentative Findings of Fact, Respondents, UniHost

 Corporation, Wasantha Weerasekera, and Richmond F. Richardson, have each offered and

sold securities in violation of RCW 21.20.040, the securities broker-dealer and securities salesperson registration section of the Securities Act of Washington.

NOTICE OF INTENT TO ORDER RESPONDENTS TO CEASE AND DESIST

Pursuant to RCW 21.20.390, and based on the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents, UniHost Corporation, Wasantha Weerasekera, and Richmond F. Richardson, each shall cease and desist from any violation of RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140.

NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.390, and based on the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Wasantha Weerasekera and Richmond F. Richardson shall each be liable for and shall each pay investigative costs of at least \$2,000.

AUTHORITY AND PROCEDURE

This Statement of Charges is entered pursuant to the provisions of chapter 21.20 RCW and is subject to the provisions of chapter 34.05 RCW. Respondents, UniHost Corporation, Wasantha Weerasekera, and Richmond F. Richardson, may each make a written request for a hearing, as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

If a Respondent does not make a hearing request in the time allowed, the Securities

Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law

1	as final, to enter a permanent cease and de	sist order as to that respondent, a	and to impose any
2	fine and charge any costs that are sought a	gainst that respondent.	
3	WILLFUL VIOLATION OF T	HIS ORDER IS A CRIMINAL	OFFENSE.
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5	Signed and Entered this21st da	y of <u>May</u>	, 2012
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10		WILLIAM M. BEATTY	
11		Securities Administrator	
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