

1 **STATE OF WASHINGTON**  
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING ) Order No.: S-12-0927-12-CO01  
5 whether there has been a violation of the )  
6 Commodity Transaction Act of Washington by: ) CONSENT ORDER  
7 )  
8 Annette Blanchard, )  
9 )  
10 )  
11 Respondent. )

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12 **INTRODUCTION**

13 On June 27, 2012, the Securities Administrator of the state of Washington issued a Statement of Charges and  
14 Notice of Intent to Enter Order to Cease and Desist and Impose Fines (“Statement of Charges”) against Respondent,  
15 Annette Blanchard. The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for  
16 Hearing (“Notice of Opportunity for Hearing”), were served on Annette Blanchard on June 30, 2012. The Securities  
17 Division and Respondent, Annette Blanchard, do hereby agree to the Consent Order in settlement of the above  
18 captioned matter. The Securities Division has, in the Statement of Charges, made certain allegations and conclusions,  
19 set forth under the headings “Tentative Findings of Fact” and “Conclusions of Law.” Respondent, Annette  
20 Blanchard, neither admits nor denies the Tentative Findings of Fact or Conclusions of Law as stated below.

21 **TENTATIVE FINDINGS OF FACT**

22 **I.**

23 Parties

24 1. Annette Blanchard (“Blanchard”) is a resident of Washington State. She was a resident of Washington State  
25 at all times relevant to this Consent Order.

26 **II.**

27 Nature of the Offering

28 2. On or about August of 2011, Investor A, a Washington resident, met Blanchard when she came into a FedEx  
29 location in Seattle, Washington, where Investor A worked at the time. Investor A inquired into Blanchard’s business  
30 at the FedEx location, and Blanchard informed Investor A that she was receiving deliveries of Iraqi Dinar that she had  
31 purchased from a dealer in New England. She said that she bought Iraqi Dinar because she believed that the currency

1 would appreciate in value considerably when the currency was revalued, which she projected would occur soon. At  
2 the time, one Iraqi Dinar could be exchanged for approximately \$0.0009. Ms. Blanchard said that she anticipated that  
3 once the Iraqi Dinar was revalued, one Iraqi Dinar would be worth \$3.50 to \$4.00.

4 3. Investor A inquired whether he could purchase Iraqi Dinar from Blanchard, and Blanchard said that she could  
5 sell currency to Investor A.

6 4. On or about September of 2011, Investor A gave to Blanchard \$2,100 so that Blanchard could purchase two  
7 million Iraqi Dinar for him. Blanchard gave Investor A one note for 5,000 Iraqi Dinar immediately and promised that  
8 the rest would be forthcoming within a couple of weeks. Blanchard failed to give Investor A a receipt or other  
9 evidence of his investment, or any disclosure documents.

10 5. Immediately following his purchase of Iraqi Dinar from Blanchard, Investor A exchanged text messages with  
11 Blanchard regarding his purchase. In one text message Investor A thanked Blanchard for the opportunity and offered  
12 to take her out to dinner once he realized a return on his investment in Iraqi Dinar. Blanchard responded,  
13 "Heck.....you will be so rich you can take to dinner [sic] in Hawaii!!!!" Blanchard then offered to sell Investor A  
14 more Iraqi Dinar. Despite indicating an interest in subsequent text messages, Investor A did not purchase any more  
15 currency from Blanchard.

16 6. As of the date of this Consent Order, Investor A has not received the currency Blanchard promised. Neither  
17 has Investor A received a refund of his money from Blanchard.

### 18 **REGISTRATION STATUS**

19 7. Annette Blanchard is not currently registered with the Commodity Futures Trading Commission as a futures  
20 commission merchant or as a leverage transaction merchant, is not currently registered under the Commodity  
21 Transactions Act as a commodities broker-dealer or commodities sales representative, and has not previously been so  
22 registered.

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

1 **CONCLUSIONS OF LAW**

2 1. Foreign currencies, such as Iraqi Dinar, are commodities as defined in RCW 21.30.010(9).

3 2. The offer and/or sale of Iraqi Dinar described above constitutes the offer and/or sale of a commodity or  
4 commodity contract as defined in RCW 21.30.010(10), (14) and (15).

5 3. The offer and/or sale of said commodities is in violation of RCW 21.30.020 because the offer or sale was  
6 made by a person not exempt under RCW 21.30.030 and the transaction or contract was not exempt under RCW  
7 21.30.040.

8 4. Respondent, Annette Blanchard, has violated RCW 21.30.050 by offering or selling said commodities or  
9 commodities contract while not registered under the commodity futures trading commission as a futures commission  
10 merchant or as a leverage transaction merchant and while not registered as a commodities broker-dealer or  
11 commodities sales representative under the commodity transactions act.

12 5. The offer and/or sale of said commodities was made in violation of RCW 21.30.060 because Respondent,  
13 Annette Blanchard, in connection with the offer and sale of a commodity, made misrepresentations of material fact  
14 and/or omitted to state facts necessary in order to make the statements made, in light of the circumstances in which  
15 they were made, not misleading.

16 6. The offer and/or sale of said commodities was made in violation of RCW 21.30.060 because Respondent,  
17 Annette Blanchard, in connection with offer and/or sale of a commodity misappropriated or converted the funds,  
18 security, or property of Investor A.

19 **CONSENT ORDER**

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

21 IT IS AGREED AND ORDERED that Annette Blanchard, her agents and employees, shall each cease and  
22 desist from offering or selling commodities in a manner violating RCW 21.30.020.

23 IT IS FURTHER AGREED AND ORDERED that Annette Blanchard, her agents and employees, shall each  
24 cease and desist from offering or selling commodities in a manner violating RCW 21.30.050.

1 IT IS FURTHER AGREED AND ORDERED that Annette Blanchard, her agents and employees, shall each  
2 cease and desist from violating RCW 21.30.060, the anti-fraud section of the Commodity Transaction Act of  
3 Washington.

4 IT IS FURTHER AGREED that Annette Blanchard shall pay a fine of \$4,500.

5 IT IS FURTHER AGREED that payment of the fine shall be made as follows: Annette Blanchard shall pay  
6 \$500. Prior to the entry of this Consent Order, Annette Blanchard shall enter into a Confession of Judgment for the  
7 remaining balance of the fine (\$4,000). A copy of this Confession of Judgment is attached and incorporated into this  
8 Consent Order by this reference. The Securities Division will not file the Confession of Judgment so long as Annette  
9 Blanchard pays restitution in the amount of \$2,000 to Investor A within six (6) months of the entry of this Consent  
10 Order. Annette Blanchard will provide proof of the restitution payment to the Securities Division. If Annette  
11 Blanchard fails to pay the \$2,000 in restitution or fails to provide the Securities Division with proof of such restitution  
12 within six (6) months of the entry of this Consent Order, the Securities Division may, without further notice to  
13 Annette Blanchard, immediately file the Confession of Judgment in the appropriate superior court, refer the debt to  
14 collections as necessary, and take further legal action for violation of this Consent Order.

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

16 IT IS FURTHER AGREED that Respondent, Annette Blanchard, enters into this Consent Order freely and  
17 voluntarily and with full understanding of its terms and significance.

18 IT IS FURTHER AGREED that in consideration of the foregoing, Annette Blanchard, withdraws her request  
19 for an administrative hearing in this matter and waives her right to a hearing and to judicial review of this matter.

20 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

21 Signed this 30<sup>th</sup> day of May 2014.

22 Signed by:

23 /s/  
Robert La Rocco  
Attorney for Annette Blanchard

24 Signed by:

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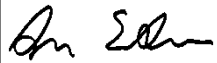
/s/ \_\_\_\_\_  
Annette Blanchard

SIGNED and ENTERED this 4th day of June 2012



\_\_\_\_\_  
William M. Beatty  
Securities Administrator

Approved by:



\_\_\_\_\_  
Suzanne Sarason  
Chief of Enforcement

Presented by:



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Jack McClellan  
Financial Legal Examiner Supervisor