

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

4 IN THE MATTER OF DETERMINING) Order No.: S-12-1039-13-CO01
5 Whether there has been a violation of the)
6 Securities Act of Washington by:) CONSENT ORDER
7)
8 Ra Ghala Corporation; AuJeune Corporation; Ray)
9 Willis,)
10)
11 Respondents.)

12 **INTRODUCTION**

13 Pursuant to the Securities Act of Washington, Chapter 21.20 RCW, the Securities Division of the Department
14 of Financial Institutions and Respondents Ra Ghala Corporation, AuJeune Corporation, and Ray Willis enter into this
15 Consent Order to settle the above captioned matter.

16 Respondents neither admit nor deny the Findings of Fact and Conclusions of Law as stated below.

17 **FINDINGS OF FACT**

18 Respondents

- 19 1. Respondent Ra Ghala Corporation (Ra Ghala) is a Washington corporation formed on February 8, 2008, for
20 the purpose of developing medical devices and consumer products. Ra Ghala is also incorporated in the state of
21 Nevada.
- 22 2. Respondent AuJeune Corporation (AuJeune) was formed on December 12, 2011, for the purpose of
23 developing cosmetic and skin care products. AuJeune is a Nevada registered corporation, and maintains a principal
24 place of business in Washington.
- 25 3. Ray Willis is a Washington resident, and he acts as the president of both Ra Ghala and AuJeune.

Nature of the Offering

4. Throughout the first 8 months of 2012, Ray Willis solicited investments in his companies, Ra Ghala and
AuJeune. Specifically, Ray Willis sought to raise an unspecified amount of capital by offering prospective investors
stock in both companies, and he relied on David A. Hengstler and Capital Restoration Corporation to draft offering
material and to advise Ra Ghala and AuJeune on how to raise money. Ray Willis solicited investments in Ra Ghala
and AuJeune from friends, family, and friends of friends, and he solicited investments in person or over the phone. In
these communications, Ray Willis represented to investors that Ra Ghala would develop and sell medical devices and

1 consumer products and that AuJeune would develop and sell cosmetic and skin care products. Ray Willis further stated
2 that Ra Ghala and AuJeune sought to patent each company's respective prototypes and develop additional products.

3 5. Ray Willis sought minimum investments of \$1,000.00 in Ra Ghala and AuJeune, and he offered investors
4 shares in these companies for \$0.10 a share. According to Ray Willis, Ra Ghala and AuJeune would soon become
5 publicly traded companies, allowing investors to trade their shares on a public exchange. Ray Willis stated to at least
6 one investor that the investor's share in Ra Ghala or AuJeune would be tied to the value of what that share traded for
7 on Wall Street.

8 6. For Ra Ghala and AuJeune to become publicly traded companies, Ray Willis represented that the offering for
9 each company had to be fully funded and that the companies had to file two forms with the Securities and Exchange
10 Commission. Ray Willis further represented to investors that the offering materials that Ra Ghala had already created
11 and distributed to some investors conformed with federal securities laws.

12 7. In an offering document, Ray Willis wrote that an investment in Ra Ghala provided the potential to multiply
13 an investor's return on investment, and he wrote to at least one investor that shares in Ra Ghala and AuJeune could
14 trade on the world market from \$0.50 to \$1.00, and even up to \$20.00. Ray Willis further claimed that this investor
15 could make several thousand dollars within a short period of time. To this one investor, Ray Willis likened an
16 investment in Ra Ghala and AuJeune to the fate of investors that bought stock in Microsoft early on, who Ray Willis
17 claimed made millions in a week by trading their stock in the company.

18 8. In a document titled "Investor Safety Net," Ray Willis represented that in the event that either Ra Ghala or
19 AuJeune went bankrupt, Ray Willis would sell the company as what he referred to as a "public shell," thereby
20 protecting investors from financial loss. Ray Willis explained to investors that the sale of Ra Ghala or AuJeune as a
21 public shell would take place through a reverse merger transaction, in which a purchasing company would request the
22 purchase of 90 percent or more of the outstanding shares of either company. Ray Willis further explained that investors
23 in Ra Ghala and AuJeune would receive an above-average return if either company was sold as a public shell, as
24 investors would receive \$1.00 per-share for their shares in the company. Ray Willis described this process as very
25 clean, straight forward, and fairly typical within the market place.

9. By August 2012, the Respondents had raised at least \$111,950.00 from at least 40 investors, 19 of whom are
Washington residents. Investors made payments to the Respondents through either check, money order, or wire
transfer, and they signed a document titled "Shareholder Portfolio, Seed Investor Agreement" to memorialize their
investments.

10. At least three investors in Ra Ghala and AuJeune had little or no investing experience and do not qualify as
accredited investors as defined by federal securities laws.

11. To date, Ra Ghala and AuJeune have yet to bring any of their products to market, and investors have not
received any return on their investment. Some investors have received stock certificates, while other investors are

1 awaiting theirs. Neither shares of Ra Ghala, nor shares of AuJeune are currently registered to be traded on any public
2 exchange.

3 Misrepresentations and Omissions

4 12. Respondents failed to disclose to at least 3 investors any information about the types of cosmetic and skin care
5 products that AuJeune sought to develop and sell, as well as the efforts AuJeune had already taken and planned to take
6 to develop and sell its products. Respondents further failed to disclose to at least 3 investors that AuJeune had
7 contracted out the development and marketing for each product. Additionally, Respondents to disclose to at least 3
8 AuJeune investors the general and specifics risks associated with investing in a company that developed cosmetic and
9 skin care products.

10 13. Respondents failed to disclose to at least 2 investors any information about the specific products that Ra Ghala
11 sought to develop and sell and that Ra Ghala had contracted out the development and marketing for each product.
12 Respondents further failed to disclose to at least 2 Ra Ghala investors the general and specific risks associated with
13 investing in a company that developed medical devices and consumer products.

14 14. Respondents failed to fully disclose the criteria that Ra Ghala and AuJeune would have to meet in order for the
15 shares of both companies to become traded on a public exchange. Respondents further failed to disclose the bases and
16 assumptions upon which he claimed that Ra Ghala and AuJeune would have the ability and resources to become
17 publicly traded companies and that the Ra Ghala offering materials complied with federal securities laws.

18 15. Respondents failed to disclose the basis and assumptions underlying the financial representations that he made
19 to investors about Ra Ghala and AuJeune.

20 16. Respondents failed to disclose the basis and assumptions underlying the claim that in the event that either Ra
21 Ghala or AuJeune went bankrupt, Ray Willis would sell the company a public shell, in which investors would receive
22 \$1.00 per-share for their shares in the company.

23 17. Respondents failed to disclose the total amount of capital that Ra Ghala and AuJeune required to stay in
24 business, the total amount of capital that Ra Ghala and AuJeune had at the time of investment, and the risks associated
25 with inadequate capitalization.

21 Registration Status

22 18. Respondents Ra Ghala and AuJeune are not currently registered to sell securities in the state of Washington
23 and have not previously been registered to do so.

24 19. Respondent Ray Willis is not currently registered as a securities salesperson in the state of Washington and has
25 not been previously registered to do so.

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

CONCLUSIONS OF LAW

1. The offer and sale of stock in Ra Ghala and AuJeune as described above constitute the offer and sale of a security as defined in RCW 21.20.005(14) and (17).
2. The offer and sale of these securities is in violation of RCW 21.20.140 because no registration for such an offer and sale is on file with the Securities Administrator, state of Washington.
3. Ray Willis has violated RCW 21.20.040 by offering and selling securities while not registered as a securities salesperson in the state of Washington.
4. The offer and sale of these securities were in violation of RCW 21.20.010 because Respondents made untrue statements of material fact or omitted to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

CONSENT ORDER

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

IT IS AGREED AND ORDERED that Respondents Ray Willis, Ra Ghala, and AuJeune shall each cease and desist from violating RCW 21.20.140, the securities registration section of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondent Ray Willis shall cease and desist from violating RCW 21.20.040, the section of the Securities Act of Washington requiring registration of securities salespersons and broker-dealers.

IT IS FURTHER AGREED AND ORDERED that Respondents Ray Willis, Ra Ghala, and AuJeune shall each cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that prior to the entry of this Consent Order, Respondents Ray Willis, Ra Ghala, and AuJeune shall be jointly and severally liable for and shall pay the Securities Division the costs and other expenses incurred in the investigation of this matter in the amount of \$2,500.00.

IT IS FURTHER AGREED that prior to the entry of this Consent Order Respondents Ray Willis, Ra Ghala, and AuJeune shall be jointly and severally liable for and shall pay the Securities Division a fine in the amount of \$4,000.00.

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

IT IS FURTHER AGREED that Respondents Ray Willis, Ra Ghala, and AuJeune entered into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

1 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents Ray Willis, Ra Ghala, and
2 AuJeune waives his right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter
3 34.05 RCW.

4 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

5 Signed this 19th day of September 2013.

6
7 Signed by:

8 Ra Ghala Corporation

9
10 _____/s/_____
11 Ray Willis as president of Ra Ghala Corporation

12 Signed by:

13 AuJeune Corporation

14
15 _____/s/_____
16 Ray Willis as president of AuJeune Corporation

17 Signed by:

18
19 _____/s/_____
20 Ray Willis, Individually

21 Approved as to form by:

22
23 _____/s/_____
24 Lawrence Cock, Attorney for Respondents
25 WSBA # 20326

1
2 SIGNED and ENTERED this 20 day of September 2013.
3

4 

5
6 William M. Beatty
Securities Administrator

7
8 Approved by:

9 Presented by:

10 

11 Suzanne Sarason
Chief of Enforcement

12 Eric Palosaari
Enforcement Attorney

13 Reviewed by:

14 

15
16 Jack McClellan
Financial Legal Examiner Supervisor