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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:

Lakemont Commercial Consulting, LLC,
Larrick Holdings LLC,
Richard A. Ames,
Larry F. Allen,

Respondents

Order Number S-12-1042-13-SC01

STATEMENT OF CHARGES AND
NOTICE OF INTENT TO ENTER AN
ORDER TO CEASE AND DESIST,
IMPOSE A FINE, AND CHARGE COSTS

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THE STATE OF WASHINGTON TO:

Lakemont Commercial Consulting, LLC
Larrick Holdings LLC
Richard A. Ames
Larry F. Allen

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STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents, Larrick Holdings, LLC; Lakemont Commercial Consulting, LLC; Richard A. Ames; and Larry F. Allen, have each violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations and to charge costs and under RCW 21.20.395 to impose a fine. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

1. Lakemont Commercial Consulting, LLC (“Lakemont”) is a Washington limited liability company that was formed on March 22, 2007. Lakemont was a broker that solicited investor funding for

1 commercial loans and was to be paid loan fees upon successful funding of the loans. Lakemont had its
2 principal place of business in Bellevue, Washington.

3 2. Larrick Holdings LLC (“Larrick”) is a Washington limited liability company that was formed
4 on September 2, 2008. Larrick was a company that was to purchase investment holdings and that offered
5 and sold its own investments. Larrick had its principal place of business in Bellevue, Washington.

6 3. Richard A. Ames (“Ames”) is a Washington resident. Ames was a managing member of
7 Lakemont and Larrick. From January 2005 until March 2010, Ames was a licensed real estate broker in
8 Washington.

9 4. Larry F. Allen (“Allen”) is a Washington resident. Allen was a managing member of
10 Lakemont and Larrick.

11 Offering of Investments by Lakemont

12 5. During 2008, Respondents Ames, Allen, and Lakemont collectively offered and sold more
13 than \$2 million worth of investments to at least five investors, four of whom were Washington residents.
14 Two of the investors were retired. Ames, Allen, and Lakemont each falsely represented to the investors
15 that they would receive a secure income from the investments.
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17 6. The investments were evidenced by short-term promissory notes. The promissory notes had
18 terms ranging from two weeks to approximately six months. The promissory notes had interest rates
19 ranging from 15% annual interest to a 100% return on investment within approximately six weeks.

20 7. When offering and selling the investments, Ames, Allen, and Lakemont each failed to give
21 the investors any written disclosure documents relating to the investments. Ames, Allen, and Lakemont
22 each failed to give the investors background information about the companies that were issuing the
23 investments and the principals of those companies. Ames, Allen, and Lakemont each failed to disclose the
24 risks of the investments. Ames, Allen, and Lakemont each failed to give the investors any financial
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1 information, including financial statements, for the issuer of the investments. When offering and selling
2 later investments, Ames and Lakemont each failed to disclose the non-performance and the delinquent
3 payment history for prior investments that were sold by Ames and Lakemont.

4 *DiFresco Imports LLC Investments*

5 8. In June 2008, Ames and Lakemont solicited a Washington investor to make an investment
6 totaling \$225,000. Ames and Lakemont each represented to the investor that the investments would be
7 used to finance a business loan to DiFresco Imports LLC. Ames and Lakemont each represented that the
8 investment would be repaid within less than four months with 15% annual interest. Ames and Lakemont
9 represented that the investment would be secured by a deed of trust against real property located in Idaho.
10 Ames falsely represented to the investor that the property was valued at over \$800,000. Ames and
11 Lakemont each failed to give the investor any title documents or valuation information for the real
12 property that purportedly secured the investment. The investor never received any repayment of the
13 investment.

14 9. In June 2008, Ames and Lakemont solicited a second Washington investor to make a
15 \$100,000 investment with DiFresco Imports LLC. Ames and Lakemont each represented to the investor
16 that the investment would generate monthly payments of \$1,250 and would be repaid six months later
17 with 15% annual interest. Ames and Lakemont represented that the investment would be secured by a
18 second deed of trust against real property located in Idaho. Ames falsely represented to the investor that
19 the property was worth somewhere between \$300,000 and \$400,000 and that it was more than adequate to
20 secure the investment. Ames and Lakemont each failed to give the investor any title documents or
21 valuation information for the real property that purportedly secured the investment. The investor later
22 found that the property was only worth approximately \$30,000. The investor was repaid \$2,500, but never
23 received any further payments for the investment.
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Babuski LLC Investments

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2 10. In June 2008, Ames and Lakemont solicited a Washington investor to make a \$150,000
3 investment with Babuski LLC. Ames and Lakemont represented to the investor that the investment would
4 be fully repaid within six weeks, together with a return of \$60,000, and that the investment proceeds
5 would be used to pay loan extension fees for a commercial building in Las Vegas. Ames and Lakemont
6 each represented that the investment would be secured by a deed of trust against the property. Ames and
7 Lakemont each failed to give the investor any title documents or valuation information for the real
8 property that purportedly secured the investment. The investor never received any repayment of the
9 investment. Babuski LLC filed for chapter 7 bankruptcy in 2009 and the owner of Babuski LLC pleaded
10 guilty in January 2010 to federal wire fraud charges.

11 11. In June 2008, Ames and Lakemont solicited another Washington investor to make a
12 \$150,000 investment with Babuski LLC. Ames and Lakemont represented to the investor that the
13 investment would be repaid within approximately six weeks, along with a 100% return on investment.
14 Ames and Lakemont represented that the investment would be used to fund a “bridge loan” to Babuski
15 LLC. Ames and Lakemont also represented that the investment would be secured by a deed of trust
16 against a commercial building in Las Vegas. Ames and Lakemont each failed to give the investor any title
17 documents or valuation information for the real property that purportedly secured the investment. The
18 investor never received any repayment of the investment.

WNS Holdings, LLC Investment

21 12. In August 2008, Allen and Lakemont solicited a Washington investor to make a \$150,000
22 investment with WNS Holdings, LLC. Allen and Lakemont represented to the investor that the
23 investment would be repaid within less than six months, along with \$30,000 of interest. Allen and
24 Lakemont each represented that the investment would be secured by five different patents for airline flight
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1 technology. Allen and Lakemont each falsely represented that the patents were extremely valuable,
2 although the investor discovered after investing that the patents were worthless. The investor received
3 four interest payments of \$5,000, for a total of \$20,000. After that, the investor never received any further
4 payments on the investment.

5 *Sims Properties Development & Management, Inc. Investment*

6 13. In August 2008, Ames and Lakemont solicited a Washington investor to make a \$500,000
7 investment with Sims Properties Development & Management, Inc. Ames and Lakemont represented that
8 the company was a Chicago real estate development firm with hundreds of millions of dollars in real
9 estate holdings. Ames and Lakemont each represented that Sims Properties Development & Management,
10 Inc. needed a two-week “bridge loan” and that the investor would be repaid \$540,000 two weeks after
11 investing. Ames and Lakemont falsely represented to the investor that the investment would have “no
12 risk” because it was insured. Ames gave the investor a copy of an insurance policy that purportedly
13 insured the investment. Ames later told the investor, after they had invested, that the insurance policy had
14 never been effective. The investor never received any repayment of the investment.
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16 *Global Green Holdings, LLC Investments*

17 14. In July 2008, Ames and Lakemont solicited a Washington investor to make a \$45,000
18 investment with Global Green Holdings, LLC. Ames and Lakemont each represented to the investor that
19 the loan would be repaid within sixty days, along with an \$18,000 return on investment. Ames and
20 Lakemont also represented that the investment would be secured by a standby letter of credit. Ames and
21 Lakemont each represented that Global Green Holdings, LLC was in the business of producing “clean-
22 burning” coal and that they needed some short-term financing to complete a business transaction. The
23 investor never received any repayment of the investment.
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1 15. In July 2008, Ames and Lakemont solicited another Washington investor to make an \$80,000
2 investment with Global Green Holdings, LLC. Ames and Lakemont each represented to the investor that
3 the loan would be repaid within sixty days, along with a \$32,000 return on investment. Ames and
4 Lakemont also represented that the investment would be secured by a standby letter of credit. The
5 investor never received any repayment of the investment.

6 16. In July 2008, Ames and Lakemont solicited another Washington investor to make a \$375,000
7 investment with Global Green Holdings, LLC. Ames and Lakemont each represented to the investor that
8 the loan would be repaid within sixty days, along with a \$150,000 return on investment. Ames and
9 Lakemont also represented that the investment would be secured by a standby letter of credit. The
10 investor never received any repayment of the investment.

11 17. In August 2008, Ames and Lakemont solicited another Washington investor to make a
12 \$110,000 investment with Global Green Holdings, LLC. Ames and Lakemont each represented to the
13 investor that they would receive a repayment of \$130,000 within two weeks after investing. Ames gave
14 the investor documents showing that real property purportedly worth more than \$1 million would secure
15 the investment. Sometime after the investment was made, Ames admitted to the investor that there did not
16 appear to be any real property security for the investment. The investor never received any repayment of
17 the investment.

18 18. In October 2008, Allen and Lakemont solicited an out-of-state investor to make a \$60,000
19 investment with Global Green Holdings, LLC. Allen and Lakemont each represented that the investor
20 would receive a return of principal plus \$15,000 within sixty days after investing. Allen and Lakemont
21 also represented that the investment would be secured by a standby letter of credit. The investor never
22 received any repayment of the investment.
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The Retreat in Palm Canyon Investment

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2 19. In October 2008, Ames and Lakemont solicited a Washington investor to make a \$70,000
3 investment with The Retreat in Palm Canyon, in order to fund a real estate development project near Palm
4 Springs, California. Ames and Lakemont each represented that the investor would receive a return of
5 principal plus \$50,000 within thirty days after investing. Ames and Lakemont each failed to disclose to
6 the investor that the projected start-up costs for the development project were approximately \$100 million
7 and that the financing had not been secured. The investor never received any repayment of the
8 investment.

9 Offering of Investments by Larrick

10 20. From 2008 through 2010, Respondents Ames, Allen, and Larrick collectively offered and
11 sold more than \$1 million worth of investments to at least seven Washington investors, one of whom had
12 also invested with Lakemont. Ames, Allen, and Larrick each falsely represented to the investors that they
13 would receive a secure income from the investments.
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15 21. The investments were evidenced by short-term promissory notes. The promissory notes had
16 terms ranging from 30 days to approximately 150 days. The promissory notes had interest rates ranging
17 from approximately 5% per month to approximately 35% per month.

18 22. When offering and selling the investments, Ames, Allen, and Larrick each failed to give the
19 investors any written disclosure documents relating to the investments. Ames, Allen, and Larrick each
20 failed to disclose the risks of the investments. Ames, Allen, and Larrick each failed to give the investors
21 any financial information, including financial statements, for the issuers of the investments. When
22 offering and selling later investments, Ames, Allen, and Lakemont each failed to disclose the non-
23 performance and the delinquent payment history for prior investments that were sold by Ames and Allen.
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Global Green Holdings, LLC Investment

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2 23. In March 2009, Ames, Allen, and Larrick solicited a Washington investor to make a \$30,000
3 investment in Global Green Holdings, LLC. Ames, Allen, and Larrick each represented that the investor
4 would receive a return of principal plus 10% within sixty days after investing. Ames, Allen, and Larrick
5 also represented to the investor that the investment would be secured by a standby letter of credit. The
6 investor never received any repayment of the investment.

The Retreat in Palm Canyon Investment

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8 24. In October 2008, Ames, Allen, and Larrick solicited a Washington investor to make a
9 \$90,000 investment for The Retreat in Palm Canyon, in order to fund a real estate development project
10 near Palm Springs, California. Ames, Allen, and Larrick each represented that the investor would receive
11 a return of principal plus 50% within five months after investing. Ames, Allen, and Larrick each failed to
12 disclose to the investor that the projected start-up costs for the development project were approximately
13 \$100 million and that the financing had not been secured. The investor never received any repayment of
14 the investment.
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Brighton Investment

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17 25. In March 2010, Ames, Allen, and Larrick solicited a Washington investor to make a
18 \$100,000 investment to finance a Nevada company that would operate medical clinics. Ames, Allen, and
19 Larrick each represented that the investor would receive a return of principal plus \$10,000 within sixty
20 days after investing. Ames, Allen, and Larrick each failed to disclose to the investor the source of
21 repayment for the investment and the amount of funds required to finance the clinics. The investor never
22 received any repayment of the investment.
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Larrick Holdings LLC Investments

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2 26. From October 2008 through March 2009, Ames and Larrick solicited three Washington
3 investors to make investments totaling \$520,000 with Larrick. Ames and Larrick each represented that the
4 investments would yield returns ranging from 10% to 70% within terms ranging from two weeks to ninety
5 days. Ames and Larrick each represented that the investments would be secured by certificates of deposit
6 issued by large commercial banks. Ames and Larrick each failed to disclose the intended use of the
7 invested funds. Ames and Larrick each failed to disclose the source of repayment for the investments.
8 None of the investments were ever repaid.

9 27. From October 2008 through December 2009, Ames and Larrick solicited three Washington
10 investors to make investments totaling \$220,000 with Larrick. Ames and Larrick each represented that the
11 investments would yield returns ranging from at least 20% to 50% within thirty to ninety days. Ames and
12 Larrick each represented that the investments would be secured by standby letters of credit issued by large
13 commercial banks. Ames and Larrick each failed to disclose the intended use of the invested funds.
14 Ames and Larrick each failed to disclose the source of repayment for the investments. None of the
15 investments were ever repaid.
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17 28. In May 2009, Ames, Allen, and Larrick solicited a Washington investor to invest \$50,000
18 with Larrick. The investment funds came from a special needs trust and Ames, Allen, and Larrick each
19 knew the source of the investment. Ames, Allen, and Larrick each represented that the investor would
20 earn a 10% return every thirty days. Ames, Allen, and Larrick each represented that the investment would
21 be secured by a certificate of deposit or by a letter of credit issued by a large commercial bank. Ames,
22 Allen, and Larrick each failed to disclose the intended use of the invested funds. Ames, Allen, and
23 Larrick each failed to disclose the source of repayment for the investment. The investment was never
24 repaid.
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Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

1. The offer and sale of the investments described above constitute the offer and sale of a security, as defined in RCW 21.20.005(14) and RCW 21.20.005(17), in the form of an investment contract and a note.

2. As set forth in the Tentative Findings of Fact, Respondents, Lakemont Commercial Consulting, LLC; Larrick Holdings LLC; Richard A. Ames; and Larry F. Allen, have each violated RCW 21.20.010, the anti-fraud section of the Securities Act of Washington, because in connection with the offer and sale of said securities, Respondents each made untrue statements of a 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 were made, not misleading.

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, Lakemont Commercial Consulting, LLC; Larrick Holdings LLC; Richard A. Ames; and Larry F. Allen, shall each cease and desist from any violation of RCW 21.20.010.

NOTICE OF INTENT TO IMPOSE A FINE

Pursuant to RCW 21.20.395, and based on the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondent Richard A. Ames shall be liable for and shall pay a fine of \$20,000 and that Respondent Larry F. Allen shall be liable for and shall pay a fine of \$10,000.

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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 Respondent Richard A. Ames and Larry F. Allen shall each be liable for and shall each pay the Securities Division at least \$5,000 for costs, fees, and other expenses incurred in the conduct of the administrative investigation and/or hearing for this matter.

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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, Lakemont Commercial Consulting, LLC; Larrick Holdings LLC; Richard A. Ames; and Larry F. Allen, 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 as final, to enter a permanent cease and desist order as to the respondent, and to impose any fines and charge any costs that are sought against the respondent.

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WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

Signed and Entered this 8th day of January, 2014

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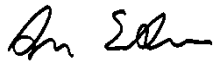


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WILLIAM M. BEATTY
Securities Administrator

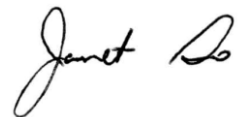
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Approved by:



Suzanne E. Sarason
Chief of Enforcement

Presented by:



Janet So
Enforcement Attorney

Reviewed by:



Robert Kondrat
Financial Legal Examiner Supervisor