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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING ) Order No.: S-14-1408-14-SC01  
Whether there has been a violation of the )  
Commodity Transactions Act of Washington by: ) STATEMENT OF CHARGES AND NOTICE OF INTENT  
) TO ENTER ORDER TO CEASE AND DESIST AND  
) IMPOSE FINES  
BMC Worldwide, Inc. d/b/a Blue Moon Coins; )  
Aaron Scott; Jamaal Brown; Affordable Precious )  
Metals, LLC; Liquid Assets Empire )  
)  
Respondents. )

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**THE STATE OF WASHINGTON TO:** **BMC Worldwide, Inc., d/b/a/ Blue Moon Coins;  
Aaron Scott;  
Jamaal Brown;  
Affordable Precious Metals, LLC; and  
Liquid Assets Empire**

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**STATEMENT OF CHARGES**

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Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents, BMC Worldwide, Inc. d/b/a Blue Moon Coins, Aaron Scott, Jamaal Brown, Affordable Precious Metals, LLC and Liquid Assets Empire have each violated the Commodity Transactions Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.30.120 to cease and desist from such violations. The Securities Administrator finds as follows:

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**TENTATIVE FINDINGS OF FACT**

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I.

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Respondents

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1. BMC Worldwide, Inc., d/b/a Blue Moon Coins (“BMC”) is a Washington corporation that was formed on October 4, 2013. Its principal place of business is 701 Main Street, Vancouver, WA 98660. BMC is in the business of buying and selling precious metal bullion in the form of bars and coins, among other products. BMC maintains an Internet website at [www.bluemooncoins.com](http://www.bluemooncoins.com). Prior to the formation of BMC Worldwide, Inc., the Blue Moon Coins business was located at 12014 S.E. Mill Plain Blvd., Suite 210, Vancouver, WA 98684. It is unclear

1 what type of corporate entity the Blue Moon Coins business was. The term “BMC” will hereinafter refer to BMC  
2 Worldwide, Inc. and the Blue Moon Coins business that was in operation prior to the formation of BMC Worldwide,  
3 Inc.

4 2. Aaron Scott (“Scott”) is the President and Secretary of BMC. Scott purportedly owned a minority  
5 share of the Blue Moon Coins business beginning in 2009 through a partnership. He purportedly owned a majority  
6 interest in the Blue Moon Coins business by December 2012 and had full ownership by October 2013.

7 3. Jamaal Brown (“Brown”) is an employee of BMC. Brown is believed to be a resident of Oregon.

8 4. Affordable Precious Metals, LLC (“APM”) is a Washington LLC with a principal place of business at  
9 701 Main Street, Vancouver, WA 98660. APM is in the precious metals business. Scott became a managing member  
10 of APM in January 2014.

11 5. Liquid Assets Empire (“LAE”) is an Oregon corporation with a principal place of business at 701  
12 Main Street, Vancouver, WA 98660. LAE’s primary business activity includes “precious metals, music [and]  
13 fashion.” Scott is the President of LAE.

## 14 II.

### 15 Related Persons

16 6. Chris Woodley (“Woodley”) is an employee of BMC. Woodley is believed to be a resident of  
17 Washington.

## 18 III.

### 19 Nature of the Offering

20 7. From September 2013 to February 2014, BMC solicited and accepted orders for the purchase of  
21 various amounts of gold and silver bullion coins and bars from at least 33 individuals from across the country. At  
22 least two of the investors were residents of Washington State. The orders ranged from about \$340 to over \$166,000.  
23 The total amount of these orders is at least \$714,000. BMC usually represented to these investors that their orders  
24 would take up to 30 business days to ship, and at times represented a shorter delivery time. To date, BMC has failed  
25 to fulfill at least 31 orders. At least \$580,000 remains outstanding.

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*Offer and Sale of Commodities*

8. BMC primarily buys and sells precious metal through its website. Many of the 33 investors first learned of BMC when they researched precious metals dealers on the Internet. BMC advertised heavily on the Internet, including through pop-up ads and the placement of ads on websites such as AOL.com. On its website, BMC touted its “years of experience and worldwide contacts throughout the precious metal and collectible coin industry” and that it was able to offer its low prices due to its “exclusive access to an extensive, well-established network of buyers and sellers.” Many of the 33 investors decided to purchase precious metal bullion from BMC because BMC offered lower prices than its competitors.

9. Most of the 33 orders were placed through the BMC website’s online ordering system. BMC stated on its website that once the investor clicked the “Confirm Order” button during the checkout process, they are “entering into a legal and binding agreement.” BMC did not accept cancellations.

10. Almost all of the 33 investors paid by wire, check or credit card. BMC instructed investors to wire funds into one of two BMC bank accounts located in Vancouver, Washington. BMC instructed investors to mail their check, payable to BMC, to 701 Main Street, Vancouver, WA 98660.

11. The precious metal bullion that BMC sold to the 33 investors included one ounce and one-tenth ounce American Gold Eagle coins, one ounce American Silver Eagle coins, one ounce Canadian Maple Leaf gold coins, one ounce Australian Kangaroo gold coins, one ounce American Buffalo gold coins, one ounce South African Krugerrand gold coins, a British Sovereign coin, one ounce Australian Perth gold bars, various other types of one ounce gold bars, and a ten ounce gold bar. All of the bullion coins are minted in large quantities by the government mint of their respective countries. The value of these bullion coins is derived primarily from the underlying value of the precious metal contained in the coin. As BMC itself noted in its item description for the one-tenth ounce American Gold Eagle coin, as “with all bullion products, [the coin’s] real value is tied directly to the commodity price of the underlying precious metal.”

*Transaction with Jamaal Brown*

12. At least one investor placed his order over the phone with Brown. Brown subsequently e-mailed that

1 investor an order invoice that instructed him to send his check for payment to BMC at 701 Main Street, Vancouver,  
2 WA 98660.

3 *Liquid Assets Empire and Affordable Precious Metals*

4 13. On or around October 4, 2013, Scott instructed an investor who placed an order with BMC to make  
5 her cashier's check payable to "APM" and mail it to 701 Main Street, Vancouver, WA 98660.

6 14. On or around October 11, 2013, Scott instructed another investor who placed a precious metal order  
7 with BMC to wire funds to an account belonging to "LAE." The LAE bank account is located at a different  
8 Vancouver, Washington bank than the BMC bank accounts. Scott told this investor that LAE was BMC's parent  
9 company. Scott later informed the Securities Division that another company was BMC's parent company.

10 15. Other than this representation, Scott, BMC, APM and LAE did not disclose to these two investors  
11 what APM and LAE were and the two entities' connection to BMC or Scott.

12 *Misrepresentations and Omissions Regarding Shipping Timeframes*

13 16. BMC represented on its website that the average shipping time was 12-15 business days from the date  
14 payment cleared. BMC also represented that some orders could arrive in as little as 3-7 business days, while others  
15 could take up to 20-30 business days. BMC, primarily through Scott, represented to several investors that the  
16 shipping or delivery times for their orders would be less than 30 business days.

17 17. All of the 33 investors experienced delays with their orders. BMC failed to deliver any of the orders  
18 within 28 calendar days from the date of payment.

19 18. Many of the investors e-mailed and called BMC numerous times to inquire about their order status,  
20 and were often unsuccessful in reaching anyone at BMC. Scott, and to a lesser extent, Brown and Woodley, at times  
21 provided order updates to the investors. Scott provided various reasons for the order delays, including the following:

22 a. In late October, Scott told an investor that he was involved in a corporate buyout of the  
23 company and that it was causing delays.

24 b. In November 2013, Scott told one investor her order was delayed because of high holiday  
25 volume and an expansion to his business;

1 c. In December 2013, Scott again told a couple of investors that the delays to their orders were  
2 due to a corporate buyout. He told one of these investors that the takeover resulted in unexpected expenses. Scott  
3 admitted to that investor that he had used the funds from her order in the corporate buyout.

4 d. Throughout January 2013, Scott told numerous investors that their orders were delayed due to  
5 high year-end and holiday demand, the flu, staffing issues and bad weather in the southeast and mid-Atlantic United  
6 States that delayed his armor truck delivery. He told at least one investor that he was awaiting a shipment from his  
7 Texas depository but that inventory issues were causing a delay. In late January, he told another investor that he was  
8 at the end of a corporate separation which was taking longer than expected.

9 e. In early February 2014, Scott told several investors that the delay was due to ice and snow in  
10 the Vancouver area, including that the BMC store was closed for five days because of snow.

11 f. Starting around March 4, 2014, Scott began telling investors that his precious metal supplier  
12 was delaying delivery of his order. The month before, Scott had told an investor that he was not having supplier issues  
13 and that his supplier was legitimate.

14 19. BMC failed to inform investors at the time they placed their orders for precious metals that it had  
15 been unable to fill previous orders from other investors. BMC continued to advertise on the Internet and to solicit and  
16 accept orders for the purchase of commodities. BMC failed to modify the shipping timeframes that it had been  
17 representing on its website.

18 20. Most, if not all, of the investors eventually asked for a refund of their money. Scott provided full  
19 refunds to two investors, in December 2013 and January 2014. The refunds were issued to the two investors who  
20 made payments to APM and LAE as described in Paragraphs 13 and 14, above. Scott repaid those investors using  
21 funds from a BMC account in which other investors' funds were deposited. Scott provided at least one of the refunds  
22 using funds he had received from another investor.

23 21. After considerable delay and multiple inquiries by investors to BMC, only two investors eventually  
24 received their orders. Three other investors eventually received a small portion of their orders.

1 22. BMC has failed to fulfill the remaining orders and has failed to provide refunds to those investors  
2 with unfilled orders, despite representations from Scott and Woodley to several investors that their refunds had been  
3 processed. In addition, Scott provided actual FedEx tracking numbers to at least three investors. However, the only  
4 activity that FedEx's online tracking information shows for these shipments is that the shipments were initiated.  
5 There is no indication that BMC actually gave FedEx any packages to ship.

6 23. As of April 18, 2014, the total amount of investor orders that have not been refunded and remain  
7 unfulfilled is at least \$580,000. The outstanding orders date back to September 2013.

### 8 **REGISTRATION STATUS**

9 24. Respondent BMC Worldwide, Inc. d/b/a Blue Moon Coins is not currently registered with the  
10 Commodity Futures Trading Commission as a futures commission merchant or as a leverage transaction merchant, is  
11 not currently registered with the Department of Financial Institutions as a commodities broker-dealer or commodities  
12 sales representative under the Commodity Transactions Act, and has not previously been so registered.

13 25. Respondent Aaron Scott is not currently registered with the Commodity Futures Trading Commission  
14 as a futures commission merchant or as a leverage transaction merchant, is not currently registered with the  
15 Department of Financial Institutions as a commodities broker-dealer or commodities sales representative under the  
16 Commodity Transactions Act, and has not previously been so registered.

17 26. Respondent Jamaal Brown is not currently registered with the Commodity Futures Trading  
18 Commission as a futures commission merchant or as a leverage transaction merchant, is not currently registered with  
19 the Department of Financial Institutions as a commodities sales representative under the Commodity Transactions  
20 Act, and has not previously been so registered.

21 27. Respondent Affordable Precious Metals, LLC is not currently registered with the Commodity Futures  
22 Trading Commission as a futures commission merchant or as a leverage transaction merchant, is not currently  
23 registered with the Department of Financial Institutions as a commodities broker-dealer or commodities sales  
24 representative under the Commodity Transactions Act, and has not previously been so registered.

1 28. Respondent Liquid Assets Empire is not currently registered with the Commodity Futures Trading  
2 Commission as a futures commission merchant or as a leverage transaction merchant, is not currently registered with  
3 the Department of Financial Institutions as a commodities broker-dealer or commodities sales representative under the  
4 Commodity Transactions Act, and has not previously been so registered.

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

6 **CONCLUSIONS OF LAW**

7 1. The precious metals as described in Paragraph 13 above are commodities as defined in RCW  
8 21.30.010(9) and (17).

9 2. The offers and/or sales of precious metals, as described in Paragraphs 7 through 12 above, constitutes  
10 the offer and/or sale of a commodity or commodity contract in the state of Washington as defined in RCW  
11 21.30.010(10), (14) and (15).

12 3. The offers and/or sales of said commodities or commodity contracts, as described in Paragraphs 7  
13 through 12 above, violated RCW 21.30.020 because the offers and/or sales were made by a person not exempt under  
14 RCW 21.30.030 and the transactions or contracts were not exempt under RCW 21.30.040.

15 4. Respondents BMC Worldwide, Inc. d/b/a Blue Moon Coins, Aaron Scott, Jamaal Brown, Affordable  
16 Precious Metals, LLC and Liquid Assets Empire violated RCW 21.30.050 by offering and/or selling said commodities  
17 or commodity contracts while not registered under the Commodity Futures Trading Commission as a futures  
18 commission merchant, or as a leverage transaction merchant, and while not registered with the Department of  
19 Financial Institutions as a commodities broker-dealer and/or commodities sales representative under the Commodity  
20 Transactions Act.

21 5. The offers and/or sales of said commodities or commodity contracts were made in violation of RCW  
22 21.30.060(1) because Respondents BMC Worldwide, Inc. d/b/a Blue Moon Coins and Aaron Scott, in connection  
23 with the offers and/or sales of commodities or commodity contracts, directly or indirectly cheated or defrauded, or  
24 attempted to cheat or defraud, any other person or employ any device, scheme or artifice to defraud any other person,  
25 as described in Paragraphs 7 through 23 above.

1           6.       The offers and/or sales of said commodities or commodity contracts were made in violation of RCW  
2 21.30.060(2) because Respondents BMC Worldwide, Inc. d/b/a Blue Moon Coins, Aaron Scott, Jamaal Brown,  
3 Affordable Precious Metals, LLC and Liquid Assets Empire, in connection with the offers and/or sales of  
4 commodities or commodity contracts, made untrue statements of material fact and/or omitted to state material facts  
5 necessary in order to make the statements made, in light the circumstance under which they were made, not  
6 misleading, as described in Paragraphs 13 through 23 above.

7           7.       The offers and/or sales of said commodities or commodity contracts were made in violation of RCW  
8 21.30.060(3) because Respondents BMC Worldwide, Inc. d/b/a Blue Moon Coins and Aaron Scott, in connection  
9 with the offers and/or sales of commodities or commodity contracts, directly or indirectly engaged in a transaction,  
10 act, practice or course of business, including, without limitation, any form of advertising or solicitation, that operated  
11 or would operate as a fraud or deceit upon any person, as described in Paragraphs 7 through 23 above.

12           8.       The offers and/or sales of said commodities or commodity contracts were made in violation of RCW  
13 21.30.060(4) because Respondents BMC Worldwide, Inc. d/b/a Blue Moon Coins and Aaron Scott, in connection  
14 with the offers and/or sales of commodities or commodity contracts, misappropriated or converted the funds, security  
15 or property of BMC investors, as described in Paragraphs 20 through 23 above.

16                           **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

17           Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator  
18 intends to order, pursuant to RCW 21.30.120, the Respondents, BMC Worldwide, Inc. d/b/a Blue Moon Coins, Aaron  
19 Scott, Jamaal Brown, Affordable Precious Metals, LLC and Liquid Assets Empire to each permanently cease and  
20 desist from violating RCW 21.30.020, the section of the Commodity Transactions Act prohibiting the sales of  
21 commodities and commodity contracts; RCW 21.30.050, the section of the Commodity Transactions Act requiring  
22 registration; and RCW 21.30.060, the anti-fraud section of the Commodity Transactions Act.

23                           **NOTICE OF INTENT TO IMPOSE FINES**

24           Pursuant to RCW 21.30.120, and based upon the above Tentative Findings of Fact and Conclusions of Law,  
25 the Securities Administrator intends to order that Respondents, BMC Worldwide, Inc. d/b/a Blue Moon Coins and



1 Aaron Scott, shall be jointly and severally liable for and pay a fine of \$50,000. Payment of the fine is to be deferred  
2 until the BMC customers receive their order or a refund in full.

3 Pursuant to RCW 21.30.120, and based upon the above Tentative Findings of Fact and Conclusions of Law,  
4 the Securities Administrator intends to order that Respondent, Jamaal Brown, shall be liable for and pay a fine of  
5 \$2,500.

6 **AUTHORITY AND PROCEDURE**

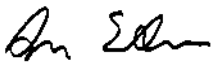
7 This Statement of Charges and Notice of Intent to Enter and Order to Cease and Desist and Impose Fines is  
8 entered pursuant to the provisions of RCW 21.30.120, and is subject to the provisions of Chapter 34.05 RCW. The  
9 Respondents, BMC Worldwide, Inc. d/b/a Blue Moon Coins, Aaron Scott, Jamaal Brown, Affordable Precious  
10 Metals, LLC and Liquid Assets Empire may each make a written request for a hearing as set forth in the NOTICE OF  
11 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order. If a respondent  
12 fails to request a hearing within the allowed time, the Securities Administrator intends to adopt the above Tentative  
13 Findings of Fact and Conclusions of Law as final and enter a permanent cease and desist order against that  
14 respondent.

15 Signed and Entered this 18th day of April, 2014.

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19 WILLIAM M. BEATTY  
20 Securities Administrator

21 Approved by:

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23 \_\_\_\_\_  
24 SUZANNE SARASON  
25 Chief of Enforcement

Presented by:



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HUONG LAM  
Financial Legal Examiner

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Reviewed by:



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JACK MCCLELLAN  
Financial Legal Examiner Supervisor