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

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IN THE MATTER OF DETERMINING) Order No.: S-14-1550-15-SC01
Whether there has been a violation of the)
Securities Act of Washington by:) STATEMENT OF CHARGES AND NOTICE OF INTENT
Troy Van Sickle, Shelley Grimes, and Surreal) TO ENTER ORDER TO CEASE AND DESIST, TO
Holdings, LLC,) IMPOSE FINES AND TO CHARGE COSTS
Respondents.)

THE STATE OF WASHINGTON TO: **Troy Van Sickle**
Shelley Grimes
Surreal Holdings, LLC

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents, Troy Van Sickle; Shelley Grimes; and Surreal Holdings, LLC, 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 against each 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 follow:

TENTATIVE FINDINGS OF FACT

Respondents

1. Troy Van Sickle (“Van Sickle”) was the managing member and owner of Van-Sickle Business Consulting, LLC and TVS Services, LLC. Van Sickle currently resides in California.

2. Shelley Grimes (“Grimes”) was the managing member of Surreal Holdings, LLC. Grimes currently resides in Washington State.

3. Surreal Holdings, LLC (“Surreal Holdings”) was a Washington State limited liability company formed on March 15, 2013 and that became inactive on July 1, 2015.

Related Parties

4. Van-Sickle Business Consulting, LLC (“Van Sickle Consulting”) was a Washington State limited liability company formed on October 12, 2011 and that became inactive on February 1, 2013. Van Sickle Consulting currently maintains a website at vansicklebusinessconsulting.com.

5. TVS Services, LLC (“TVS Services”) was a Washington State limited liability company formed on February 3, 2012 and that became inactive on June 2, 2014.

Prior Criminal Actions

1 6. On March 18, 1992, Van Sickle was convicted in Snohomish County, Washington of one count of theft in the
2 first degree and was sentenced to ten days in jail.

3 7. On March 26, 1992, Van Sickle was convicted in King County, Washington of one count of extortion in the
4 first degree and sentenced to nine months in King County Jail.

5 8. On June 26, 1992, Van Sickle was convicted in Snohomish County, Washington for the unlawful issuance of
6 bank checks or drafts and was sentenced to ninety days in jail.

7 9. On May 3, 1996, Van Sickle was convicted in King County, Washington of theft in the first degree and
8 sentenced to nine months in King County Jail.

9 10. On May 30, 1997, Van Sickle was convicted in King County, Washington of four counts of theft in the first
10 degree and sentenced to twenty-two months in state prison.

11 11. On April 14, 1998, Van Sickle was convicted in King County, Washington of perjury in the second degree
12 and sentenced to thirty-three months in state prison.

13 12. In June 2004, Van Sickle was convicted in Snohomish County, Washington of attempted theft in the first
14 degree and attempted possession of stolen property in the first degree and sentenced to over eighteen months in state
15 prison.

16 13. In early 2009, Van Sickle was convicted in Maricopa County, Arizona of committing fraudulent schemes and
17 artifices and of theft and sentenced to supervised probation. Van Sickle had perpetrated this fraud through the online
18 retailer eBay. Van Sickle is on probation for the fraud charge until 2017.

Nature of the Offering

Summary

19 14. From 2011 through 2014, Van Sickle defrauded at least \$1.1 million from at least six Washington State
20 residents through the offer and sale of investments in investment contracts and evidence of indebtedness.

21 15. Van Sickle targeted these six Washington State residents through his purported investment recovery business,
22 Van Sickle Consulting.

23 16. In or around May 2011, Van Sickle learned the identities of at least six Washington State residents who had
24 lost significant amounts of money in a failed investment. Each of these Washington residents was holding out hope of
25 recovering some of their lost investment funds.

 17. In or around June 2011, Van Sickle met with these Washington State residents. At this meeting, Van Sickle
told them that he was an expert in lost investment recovery. In reality, Van Sickle had little to no experience in these
types of recoveries. Van Sickle represented to these Washington State residents that their lost investment funds were
recoverable and that he could recover these funds on their behalf for a fee. Van Sickle had no basis for these
representations.

1 18. Each of these six Washington State residents was motivated by the prospect of recovering their lost funds and
hired Van Sickle to recover their lost investment funds.

2 19. Van Sickle actively worked against the interest of these six Washington State residents for his own benefit.
3 Rather than recover any investment funds on their behalf, Van Sickle used his newfound position of trust to defraud
4 them of their money through the sale of various investments scams.

5 20. The investments Van Sickle offered these Washington State residents fit into one of two types. Most of the
6 investment opportunities were investment contracts related to Van Sickle's promises of acquiring purported
7 discounted assets that he would later sell for a substantial profit on their behalf. The other type of investment was
evidence of indebtedness that included investment opportunities that were inextricably linked to Van Sickle's
investment recovery business.

8 21. Oftentimes, Van Sickle would issue investors promissory notes that did not reflect the oral agreement
9 between him and the investors. The promissory notes served to provide investors with an illusion of protection for
their investments with Van Sickle.

10 22. Van Sickle convinced these six investors to give him money by making numerous misrepresentations and
11 omissions. Notably, Van Sickle failed to disclose his criminal record to investors. When a few of the investors
12 confronted Van Sickle about his criminal history that they had discovered online, Van Sickle misrepresented to these
13 investors that that was not him but a different man named Troy Van Sickle. Van Sickle also failed to disclose to these
investors that he was then currently on probation for fraud and theft.

14 23. Not once did Van Sickle provide a return on investment to these investors.

15 24. Not once did Van Sickle return any principal back to the investors.

16 25. A vast majority of the \$1.1 million that Van Sickle raised is unaccounted for, but at least some of it was used
for Van Sickle's personal expenses.

17 *Discounted Asset Investment Fraud: Motorcycle Collection 1*

18 Background

19 26. The first fraud perpetrated by Van Sickle against the Washington residents mentioned above was against
20 Grimes and her husband. Grimes and her husband hired Van Sickle to collect lost investment funds in or around June
21 2011. This business relationship between Grimes and Van Sickle sparked a personal relationship that would span the
22 next three years. Over the course of these three years, Van Sickle defrauded Grimes and her husband of at least
\$940,000. Van Sickle also relied on Grimes to act as the liaison between him and the other Washington State
investors.

23 Investment Offer

24 27. In or around August 2011, Van Sickle offered Grimes an investment contract related to Van Sickle's
25 acquisition and resale of a vintage motorcycle collection. Van Sickle told Grimes that the motorcycles were being sold

1 by a man living on Camano Island, Washington. Van Sickle provided Grimes with a name for this seller on Camano
2 Island. Unbeknownst to Grimes, this name was a fake.

3 28. Van Sickle represented himself to Grimes as an expert in motorcycle restoration and told Grimes that they
4 would make a lot of money on this motorcycle collection. Grimes and her husband had little to no experience with
5 motorcycles, and relied on Van Sickle's self-proclaimed expertise. Van Sickle told Grimes that this investment
6 opportunity was time sensitive and that they needed to act fast in order to secure the motorcycle collection.

7 29. Van Sickle told Grimes that the collection consisted of seven motorcycles and various motorcycle parts. Van
8 Sickle told Grimes the make, model, and year of each motorcycle in the collection. Van Sickle valued the motorcycles
9 to Grimes at \$1,125,000. Van Sickle supported his valuation of \$1,125,000 to Grimes by directing Grimes to internet
10 sites that listed motorcycles that Van Sickle indicated were similar to the motorcycles in the collection.

11 30. Van Sickle represented to Grimes that he could purchase the motorcycle collection for \$430,000 and then sell
12 it at auction for \$1,125,000 for a profit of \$695,000. Van Sickle told Grimes that he could get such a good deal on the
13 motorcycles because the seller's daughter was gravely ill and the seller himself was suffering from Parkinson's
14 disease, and was in desperate need for cash.

15 31. On August 9, 2011, Grimes and her husband invested approximately \$296,000 with Van Sickle in this
16 investment contract. Grimes and her husband wired the money in two separate wire transfers to Van Sickle. The
17 source of funds was from Grimes's and her husband's individual retirement accounts ("IRAs"). Grimes told Van
18 Sickle that if the principal investments from the two large IRAs were not back into the accounts within sixty days,
19 they would have to claim all of the money as income and face a severe tax penalty. Van Sickle gave false assurances
20 to Grimes that Van Sickle would get the bikes sold in time to meet the sixty day tax rule.

21 32. Other than to provide investment funds, Grimes and her husband did nothing else. Van Sickle was responsible
22 for all aspects of this investment. In addition to the \$296,000, Grimes invested a further \$14,100 in a combination of
23 cash, cashier's check, and personal check.

24 33. Van Sickle told Grimes that he invested approximately \$120,000 in the motorcycle collection, \$25,000 of
25 which he borrowed from a friend.

34. Grimes, Grimes's husband, and Van Sickle made an oral agreement to split the profits from the resale of the
motorcycle collection based upon the amounts each investor contributed. If the transaction had been completed
according to Van Sickle's plan, Grimes and her husband would together profit over \$225,000, and Van Sickle would
profit over \$65,000.

35. In or around August 2011, Van Sickle purchased a motorcycle collection from a man on Camano Island for
approximately \$200,000 in a cash transaction.

36. Of the approximately \$310,000 that Grimes and her husband gave to Van Sickle for the investment contract,
only about \$200,000 went towards the purchase of a motorcycle collection on Camano Island, a difference of

1 \$110,000. Van Sickle spent at least \$19,000 of the remaining \$110,000 on purchases other than the motorcycle
collection investment.

2 37. On or about October 20, 2011, Van Sickle sold the motorcycle collection to a buyer from an auction house for
3 \$165,000, a loss of \$35,000. Van Sickle did not inform Grimes or her husband that he had sold the motorcycles. Van
Sickle never returned any of the motorcycle collection proceeds to Grimes or her husband.

4 38. Van Sickle never returned any of the approximately \$310,000 investment to Grimes or her husband.

5 *Discounted Asset Investment Fraud: Motorcycle Collection 2*

6 39. In or around September 2011, Van Sickle offered Grimes an investment opportunity in a second investment
7 contract related to Van Sickle's acquisition and resale of a vintage motorcycle collection. At the time of this
investment offer, Grimes was still anticipating a return from the first investment contract.

8 40. Van Sickle misrepresented to Grimes that the same man on Camano Island wanted to sell another motorcycle
9 collection. In reality, the same man on Camano Island did not have another motorcycle collection to sell. As before,
Van Sickle told Grimes that the man on Camano Island was trying desperately to raise cash quickly and that they
10 needed to act fast or risk losing the investment opportunity altogether.

11 41. Van Sickle told Grimes that this second collection consisted of five motorcycles and various motorcycle parts.
12 Van Sickle valued these purported motorcycles and parts at \$1,310,000. As before, Van Sickle showed Grimes
comparisons on the Internet of similar motorcycles and what they sold for on eBay and similar websites. Van Sickle
13 represented to Grimes that he could purchase the motorcycle collection for \$405,000 and then sell it at auction for
14 \$1,310,000 for a profit of \$905,000.

15 42. On September 19, 2011, Grimes wired \$250,000 through an escrow agent to Van Sickle for the investment
16 contract. The source of funds for this investment was two loans secured by her cabin on Whidbey Island, Washington.
The Whidbey property is owned outright by Grimes and is the primary residence of Grimes and her husband. Grimes
17 told Van Sickle that she could not afford to default on the loans and that this investment needed to be closed within
18 four months. Van Sickle gave Grimes false assurances that he could acquire and resell this motorcycle collection
within four months and that Grimes would not default on her four-month loan.

19 43. Van Sickle claimed to Grimes that he personally invested \$155,000 into the second motorcycle collection.
20 Grimes and Van Sickle made an oral agreement to split the profits from the resale of the motorcycle collection based
21 upon the amounts each investor contributed. If the transaction had been completed according to Van Sickle's plan,
Grimes would profit about \$590,000, and Van Sickle would profit about \$365,000.

22 44. As before, Van Sickle told Grimes that Van Sickle would purchase the motorcycles and sell the bikes for a
23 profit at an auction. Other than to provide investment funds, Grimes did nothing else regarding this investment. Van
Sickle was responsible for all aspects of this investment.
24

1 45. Van Sickle did not use Grimes's investment funds to purchase a second motorcycle collection from a man on
2 Camano Island, as he had represented to Grimes he would. The final disposition of Grimes's \$250,000 investment in
3 the second investment contract is unknown. Van Sickle never returned Grimes her \$250,000 investment.

4 *Investment Recovery Fraud: Canadian Import Taxes and Motorcycle Repairs*

5 **Background**

6 46. In or around November 2011, Van Sickle told Grimes and her husband that he had found buyers in Canada
7 for the two motorcycle collections he had purchased from the seller on Camano Island. At the time Van Sickle told
8 Grimes and her husband this, Van Sickle failed to disclose that he had already sold the first motorcycle collection for
9 a loss and that he had never actually purchased a second motorcycle collection from the seller on Camano Island. Van
10 Sickle failed to disclose to Grimes and her husband the names of the purported Canadian buyers.

11 **Investment**

12 47. In or around November 2011, Van Sickle offered Grimes and her husband an investment contract related to
13 Van Sickle's restoration and resale of the two motorcycle collections to the purported Canadian buyers.

14 48. Van Sickle told Grimes and her husband that before he could sell the two motorcycle collections in Canada,
15 he would need to pay the Canadian import taxes.

16 49. Van Sickle also represented to Grimes and her husband that some of the motorcycles in the two collections
17 required repairs before he could sell them to the Canadian buyers.

18 50. Van Sickle explained to Grimes and her husband that without more investment funds, he would be unable to
19 close the Canada deal. Van Sickle reassured Grimes and her husband that he could still turn them a profit upwards of
20 \$1 million on these two motorcycle collections.

21 51. On December 1, 2011 and December 5, 2011, Grimes and her husband invested a further \$126,000 in this
22 new investment contract. Van Sickle told Grimes and her husband that he would use the proceeds to pay the Canadian
23 import taxes and to make motorcycle repairs. Grimes and her husband wired the \$126,000 to Van Sickle in two wire
24 transactions from Grimes's husband's IRA account.

25 52. Of the \$126,000 investment that Grimes's husband wired Van Sickle, much of it is unaccounted for, but Van
Sickle spent at least \$9,000 at various retail outlets including Neiman Marcus, Zales, Mac Store, and Coach.

53. Van Sickle never returned any of the \$126,000 investment to Grimes or her husband.

Investment Recovery Fraud: Nutritional Supplements

Background

54. In or around December 2011, Van Sickle represented to Grimes that he had attempted to deliver the two
motorcycle collections to the Canadian buyers. Van Sickle told Grimes that upon delivery of the two motorcycle
collections, the Canadian buyers refused to pay cash for the motorcycles, stating that the motorcycles were not what
they had expected.

1 55. Van Sickle represented to Grimes that the Canadian buyers sold private label nutritional supplements. Van
2 Sickle represented to Grimes that the Canadian buyers offered to exchange raw materials used in the manufacture of
3 nutritional supplements for the motorcycle collections. Van Sickle told Grimes that these raw materials were located
4 in Washington State.

5 56. Van Sickle told Grimes that he knew a man in Idaho who could manufacture nutritional supplements from
6 these raw materials. Van Sickle failed to disclose to Grimes the business background, name, or any other information
7 about this Idaho man that might confirm his identity or existence.

8 57. Van Sickle told Grimes that he exchanged the two motorcycle collections for the nutritional supplement raw
9 materials.

10 Investment

11 58. In or around the beginning of January 2012, Van Sickle offered Grimes an investment contract related to Van
12 Sickle's manufacture, marketing, and sale of private label nutritional supplements.

13 59. Van Sickle was responsible for all aspects of this investment contract. Van Sickle represented that he would
14 deliver the raw materials to the Idaho manufacturer. Van Sickle stated that he would pick-up the manufactured private
15 label nutritional supplements from the Idaho manufacturer. Van Sickle represented that he would resell the nutritional
16 supplements on the private market. And, Van Sickle stated that he would distribute the profits from the sale of the
17 supplements to Grimes and her husband. Other than to provide investment funds, Grimes and her husband did nothing
18 else.

19 60. Van Sickle told Grimes that the Idaho manufacturer required funds to purchase a certain additive before the
20 private label nutritional supplements could be brought to market. Van Sickle failed to disclose to Grimes the name of
21 this additive. Van Sickle also told Grimes that he required funds for the bottling, packaging, and labeling of the
22 private label nutritional supplements.

23 61. Van Sickle represented to Grimes that the profits from the sale of these nutritional supplements would more
24 than make up for the two failed motorcycle transactions. Van Sickle represented to Grimes that once the nutritional
25 supplements were manufactured, he would earn a profit for Grimes and her husband of \$500,000. Van Sickle failed to
provide Grimes with a reasonable basis for this profit projection.

62. From January 2012 through April 2012, in at least three different transactions, Grimes and her husband
invested a total of \$96,300.

63. In or around the middle of 2012, Van Sickle contacted Grimes and told her that the Idaho man had completed
the manufacture of the nutritional supplements. Van Sickle told Grimes that he was going to pick up the completed
nutritional supplements from the Idaho man. Later that same day, Van Sickle called Grimes and represented to her
that the Idaho man had been arrested. Van Sickle failed to disclose any identifying information about the Idaho man

1 that could be used to confirm this purported arrest. Van Sickle told Grimes that he now thought that they may have
2 inadvertently been breaking the law when they began dealing in these nutritional raw materials.

3 64. Van Sickle told Grimes that he thought their phones were being tapped, and that they must not speak of the
4 transaction over the telephone again. Grimes never knew for certain what happened to the supplements, but assumed
5 the police seized them base on some illegal activity.

6 65. Van Sickle never returned the \$96,300 in investment funds to Grimes or her husband.

7 *Investment Recovery Fraud: Secured Holding Account*

8 **Background**

9 66. In April 2012, Van Sickle defrauded four Washington State residents of \$75,000 in a recovery scam.
10 Recovery scams target individuals who previously lost investment funds and offers these individuals a purported
11 solution to recoup their investment losses. These recovery scams do not actually attempt to recover an individual's
12 lost investment funds, but rather target and defraud these individuals of even more money.

13 67. By the spring of 2011, five Washington State residents had lost a combined total of over \$2 million in
14 investments solicited by Rick Ames ("Ames") through the entities Lakemont Commercial Consulting, LLC and
15 Larrick Holdings, LLC ("Lakemont/Larrick"). For more information on the Lakemont/Larrick offering, see DFI Order
16 Number S-12-1042-13-SC01.

17 68. In or around June 2011, Van Sickle, who held himself out as an expert in asset recovery, contacted these
18 Lakemont/Larrick investors and told them that he could recover their investment funds from Ames. Desperate to
19 recover their lost investment funds, these Lakemont/Larrick investors, including Grimes and her husband, hired Van
20 Sickle. For his services, Van Sickle charged each Lakemont/Larrick investor a flat fee that ranged from \$5,000 to
21 \$15,000 plus fifteen percent of the total amount recovered.

22 69. In April 2012, Van Sickle contacted Grimes and misrepresented to her that he had negotiated a deal with
23 Ames's business partner ("Business Partner") to payback the millions Ames owed to the Lakemont/Larrick investors.
24 Van Sickle told Grimes that Business Partner had sensitive business interests with Ames, and that Business Partner
25 did not want to see these business interests derailed by a recovery action against Ames. Van Sickle further told
Grimes that Business Partner is only fronting the money for Ames, and that Ames will eventually payback Business
Partner through Ames's share of profits from their joint business venture. In reality, Van Sickle never spoke to
Business Partner regarding any settlement, let alone a settlement whereby Business Partner would pay off Ames's
debts.

64. Van Sickle told Grimes that Business Partner had agreed to wire the recovery funds directly to one of Van
Sickle's Van Sickle Consulting bank accounts ("holding account"). Van Sickle told Grimes that because the dollar
amount Business Partner was going to wire into the holding account was going to be so high, the bank insuring the
account required that the holding account contained at least \$100,000 before it would accept the wire transfer. Van

1 Sickle explained to Grimes that this \$100,000 would act as an “insurance bond,” and would protect both Van Sickle
and the Lakemont/Larrick investors. In reality, there was no such thing as an insurance bond.

2 71. Van Sickle represented to Grimes that if they could raise a total of \$100,000, then Grimes and the other
3 Larrick/Lakemont investors would recover their lost Larrick/Lakemont investment funds totaling over \$2 million.

4 72. Van Sickle told Grimes that he could come up with approximately \$25,000 to place in the holding account for
5 the insurance bond, but still needed \$75,000 more to complete the transaction. Van Sickle told Grimes to contact the
other Lakemont/Larrick investors for the remaining funds.

6 73. Van Sickle misrepresented to Grimes that any funds given to him towards the \$100,000 insurance bond would
7 never be touched and would simply sit in his account until Business Partner’s wire was completed. Van Sickle also
8 misrepresented to Grimes that any money given to him for the insurance bond would be returned to investors
immediately after Business Partner wired the funds into Van Sickle’s account.

9 Investment

10 74. In or around the beginning of January 2012, Grimes offered at least four Washington State residents Van
Sickle’s investment contract and/or other evidence of indebtedness related to his recovery of lost investment principal
11 and interest from their prior investment with Larrick/Lakemont.

12 75. On April 21, 2012, Grimes sent an email to several of the Lakemont/Larrick investors. In this email, Grimes
repeated the information regarding the insurance bond that she had received from Van Sickle.

13 76. Van Sickle and Grimes failed to disclose any risks related to this insurance bond investment to the
14 Lakemont/Larrick investors.

15 77. On or about April 26, 2012, four Lakemont/Larrick investors, including Grimes’s husband, PH, DN, and RN,
wrote checks to Van Sickle Consulting in an amount totaling \$75,000.

16 78. At least three Lakemont/Larrick investors provided Van Sickle with money for the insurance bond with the
17 expectation that in return they would receive their money back plus their pro rata portion of the settlement, including
18 earned interest, with Business Partner. For example, one investor gave \$35,000 with the expectation that he would
19 receive at least \$155,000 in return. Another investor gave \$20,000 with the expectation of receiving at least \$730,000
in return.

20 79. Van Sickle was responsible for all aspects of this investment contract and/or other evidence of indebtedness.
21 Van Sickle represented that he had negotiated the purported deal with Business Partner. Van Sickle stated that he
22 would set-up his bank account to receive the millions of dollars in funds. And, once Van Sickle received the millions
23 from Business Partner, Van Sickle represented that he would wire these funds to an escrow account for distribution to
the investors. Other than to provide investment funds, these Washington State investors did nothing else.

24 80. Despite the promise that their funds would remain untouched, Van Sickle began withdrawing the money
25 within a week of the deposits. Van Sickle withdrew every penny of the Lakemont/Larrick investors’ funds.

1 81. None of the Lakemont/Larrick investors received a return. None of the Lakemont/Larrick investors received
2 their investment principal back. Van Sickle refused to return the investment money to at least one investor claiming
3 that the investor owed Van Sickle the money for his investment recovery services.

4 *Investment Recovery Fraud: Family Trust Promissory Notes*

5 Background

6 82. At the beginning of 2010, Washington State residents PH, a senior citizen, and his adult son, MH, each held a
7 promissory note secured by real property issued by The Snohomish County 137th Family Trust ("Family Trust"). The
8 principal owed on these two notes totaled \$125,000 and each note carried an annual interest rate of 12% and a default
9 interest rate of 18%. By the middle of 2010, Family Trust had ceased making interest payments on these promissory
10 notes to PH and MH.

11 83. In or around September 2012, Van Sickle told PH and MH that he could help them recover their Family Trust
12 investment. PH and MH made an oral agreement with Van Sickle regarding this recovery. If Van Sickle was
13 successful in recovering the Family Trust investments, PH would forgive the \$50,000 debt Van Sickle owed to PH
14 from a prior transaction.

15 84. In or around September 2012, Van Sickle told PH and MH that he had discovered another Family Trust note
16 holder in a higher loan position than they were. Van Sickle told PH and MH that the principal amount of this higher
17 positioned note was \$80,000.

18 85. Van Sickle told PH and MH that before PH and MH could hope for any recovery of their Family Trust
19 promissory note investments, PH and MH would have to purchase this higher positioned note.

20 Investment

21 86. In or around September 2012, Van Sickle offered PH and MH an investment contract related to Van Sickle's
22 acquisition of and recovery from a higher positioned promissory note.

23 87. Van Sickle misrepresented to PH and MH that he had negotiated a deal with the higher positioned noteholder
24 to purchase this \$80,000 note for \$20,000 plus \$2,500 for notary public fees. In reality, Van Sickle never spoke to this
25 higher positioned noteholder about the purchase of the higher positioned note.

88. Van Sickle represented to PH that if PH and MH gave Van Sickle \$22,500, Van Sickle would purchase this
higher positioned note on PH's behalf. Van Sickle told PH and MH that this was a good investment because Van
Sickle would be able to recover the entire \$80,000 principal on the note, and obtain a profit of \$57,500 for PH and
MH. Van Sickle failed to provide a reasonable basis for this profit projection of \$57,500 to PH and MH.

89. On September 22, 2012, PH paid Van Sickle \$22,500. Van Sickle misrepresented to PH that he would use
these funds to purchase the \$80,000 higher positioned note. Van Sickle never purchased the higher positioned note.

90. Van Sickle was responsible for all aspects of this investment contract. Van Sickle stated that he would handle
all aspects of the assignment of the higher positioned note to PH including, negotiation, payment, and execution. Van

1 Sickle was also responsible for enforcing the higher positioned note on behalf of PH. Other than to provide
investment funds, PH did nothing else. Van Sickle was responsible for all aspects of this investment.

2 91. Van Sickle never repaid PH this \$22,500 investment.

3 *Discounted Asset Investment Fraud: Maserati Motorcycle*

4 92. In or around April 2013, Van Sickle offered Grimes an investment contract related to Van Sickle's acquisition
and resale of a Maserati motorcycle.

5 93. By this time, Van Sickle had moved from Washington State down to California. Van Sickle told Grimes that
6 he was then currently employed at a motorcycle retailer and repair shop, but he failed to disclose the name of this
7 retailer and repair shop to Grimes. In reality, Van Sickle was not employed at a motorcycle shop in California.

8 94. Van Sickle told Grimes that he had restored a 1951 racing Maserati motorcycle ("Maserati") at this supposed
motorcycle shop, and that his boss had sold this restored Maserati for \$130,000.

9 95. Van Sickle told Grimes that the gentleman who had purchased the Maserati had recently died, and the
gentleman's widow wanted to the sell the Maserati back.

10 96. Van Sickle told Grimes that the widow approached Van Sickle's boss to sell back the motorcycle, but that
11 Van Sickle's boss refused, stating that it was against his policy to purchase back motorcycles after he sold them.

12 97. Van Sickle told Grimes that he could get the widow to sell the bike for \$15,000-\$20,000. Van Sickle told
13 Grimes that he did not have the funds necessary to purchase the Maserati. Van Sickle represented to Grimes that he
14 would sell the Maserati on her behalf for at least \$50,000, a profit of at least \$30,000. Van Sickle failed to provide a
15 reasonable basis this profit projection to Grimes. Grimes and Van Sickle made an oral agreement that they would gift
all of the profits from this investment contract to Grimes's husband in order to pay him back for his prior failed
investment contracts with Van Sickle.

16 98. On April 30, 2013, Grimes paid \$20,200 to Van Sickle through PayPal and cashier's checks. Van Sickle told
17 Grimes that although the funds were going through his bank accounts, he was going to deliver the \$20,200 to the
18 widow to acquire the motorcycle.

19 99. Van Sickle told Grimes that he would handle all aspects of this investment contract. Van Sickle stated that he
would give Grimes's funds to the widow. Van Sickle represented that he would resell the Maserati on Grimes's
20 behalf. Other than to provide investment funds, Grimes did nothing else.

21 100. Van Sickle never returned any of the \$20,200 investment to Grimes.

22 *Discounted Asset Investment Fraud: Crocker Motorcycle*

23 101. In or around February 2013, Van Sickle offered Grimes an investment contract related to Van Sickle's
24 acquisition of vintage Crocker motorcycle parts, which Van Sickle represented he would use to rebuild a vintage
Crocker motorcycle for resale at a substantial profit.

1 102. Van Sickle represented to Grimes that he had presold the completed Crocker motorcycle to his purported boss
2 for \$225,000. Van Sickle told Grimes that Grimes would earn a profit off the sale of the completed vintage Crocker
3 motorcycle. Grimes and Van Sickle made an oral agreement that Grimes and Van Sickle would share in the profits of
4 Van Sickle's sale of the completed Crocker motorcycle.

5 103. The first Crocker motorcycle part Van Sickle asked Grimes to invest in was for \$15,000. On February 20,
6 2013, Grimes invested \$15,000 with Van Sickle. Van Sickle represented that he would use this \$15,000 to purchase
7 this motorcycle part. Grimes paid this money in a cashier's check to TVS Services, LLC. The source of these funds
8 was from Grimes's IRA.

9 104. Over the next couple months, Van Sickle would call Grimes to tell Grimes that he had found more motorcycle
10 parts for this Crocker motorcycle. Van Sickle asked Grimes for additional investment funds.

11 105. Van Sickle told Grimes that he did not have the money to purchase the Crocker motorcycle parts himself
12 because he had lost all of his money in the first two motorcycle collections.

13 106. From February 2013 through July 2013, Grimes invested an additional \$76,000 in motorcycle parts and
14 restoration of the Crocker motorcycle. Grimes wired all of these funds to Van Sickle's Van Sickle Business
15 Consulting bank account.

16 107. Van Sickle told Grimes that he would handle all aspects of this investment contract. Van Sickle would
17 purchase the Crocker motorcycle parts. Van Sickle would rebuild the vintage Crocker motorcycle. Van Sickle would
18 sell the completed motorcycle to his purported boss. And, Van Sickle represented that he would distribute the profits
19 from this sale to Grimes and himself. Other than to provide investment funds, Grimes did nothing else.

20 108. Van Sickle never paid back Grimes the \$91,000 investment.

21 *Discounted Asset Recovery Fraud: Judgment Assignment*

22 109. Van Sickle offered two Washington State investors, Grimes and DN, an investment contract related to Van
23 Sickle's purchase and recovery of a civil judgment. A civil judgment is a court order that generally requires the
24 defendant to pay the plaintiff a certain sum of money.

25 110. In or around the beginning of November 2013, Van Sickle told Grimes that he had found a way to recover
some of the investment funds she and her husband had lost in the prior failed investment contracts related to the
motorcycles and nutritional supplements. Van Sickle stressed to Grimes that he felt terrible that she and her husband
had lost so much money on those previous investments, and this new investment would surely make it up to them.

111. Van Sickle informed Grimes that a client of his, CM, had recently passed away. Van Sickle told Grimes that
CM was awarded a civil judgment against a man named JD worth over \$500,000. Van Sickle told Grimes that he
could acquire this civil judgment for \$40,000, and settle it for \$500,000.

1 112. Van Sickle told Grimes that he was in contact with the estate of CM. Van Sickle misrepresented to Grimes
2 that he had negotiated the purchase of the civil judgment from the estate of CM for \$40,000. In reality, Van Sickle
3 never negotiated a deal to purchase CM's civil judgment for \$40,000.

4 113. Van Sickle misrepresented to Grimes that he was in contact with JD, and that JD had agreed to settle his
5 outstanding civil judgment for \$500,000. In reality, Van Sickle never once spoke to JD about payment of the civil
6 judgment or otherwise.

7 114. Van Sickle told Grimes that once the estate assigned the civil judgment to him, he would immediately move
8 to contact JD and settle the outstanding judgment for \$500,000, a net profit of \$460,000.

9 115. Neither Van Sickle nor Grimes had the \$40,000 required to purchase the civil judgment. Van Sickle told
10 Grimes that if they did not find someone willing to invest \$40,000 in this investment contract soon, JD would pay out
11 the \$500,000 civil judgment settlement to the estate of CM rather than to them. Van Sickle suggested that Grimes
12 reach out to DN for the money.

13 116. In the middle of November 2015, Grimes contacted DN to offer him an investment in the investment contract
14 related to the civil judgment purchase. In her pitch, Grimes passed along all the details of this investment contract that
15 Van Sickle had told her.

16 117. Over the next month, Van Sickle, Grimes, and DN worked out the details surrounding the investment. It was
17 agreed that in return for DN's \$40,000 investment, DN would receive approximately \$103,000. It was also agreed that
18 Van Sickle would receive \$40,000 and Grimes would receive the remaining \$357,000. DN was aware that Van Sickle
19 owed Grimes money for lost investment and did not object to Grimes receiving the bulk of the profits, so long as DN
20 was paid out first.

21 118. Van Sickle told Grimes and DN that the estate of CM insisted that the \$40,000 payment for the civil judgment
22 be paid to it in gold bars. In December 2013, DN purchased a gold bar worth approximately \$40,000. On December
23 18, 2013, DN dropped off this gold bar to Van Sickle's attorney's office. Van Sickle told Grimes and DN that his
24 attorney would release this gold bar to the estate of CM. In reality, Van Sickle received the gold bar; the estate of CM
25 was neither aware of this \$40,000 gold bar nor did the estate ever receive a \$40,000 gold bar.

119. On at least three occasions, Van Sickle represented to Grimes that the estate required more funds to close the
purchase of the civil judgment. From December 2013 to April 2014, Van Sickle solicited Grimes for at least \$34,000
in additional investment funds. Grimes invested at least \$34,000 with Van Sickle in this investment contract. Grimes
sent this money in a combination of gold bars and a wire transfer. In reality, the estate of CM neither requested these
additional funds nor did the estate ever receive these additional funds.

120. Van Sickle told Grimes and DN that he would handle all aspects of this investment contract. Van Sickle
represented that he would negotiate a deal to purchase the civil judgment from the estate of CM at a discount. Van
Sickle stated that he would negotiate the \$500,000 settlement on the civil judgment with JD. Van Sickle represented

1 that he would distribute the profits of this investment contract to Grimes, DN and himself. Other than to provide
investment funds, Grimes and DN did nothing else.

2 121. In or around March 2014, the estate of CM settled a creditor's claim with Van Sickle for purported consulting
3 work Van Sickle had done for CM. This settlement included the estate of CM paying Van Sickle \$7,000 and assigning
4 Van Sickle a 60% interest in the civil judgment.

5 122. On April 23, 2014, Van Sickle assigned his share in the civil judgment to Grimes. Van Sickle's assignment of
6 the civil judgment to Grimes contained a provision whereby the estate of CM retained a 40% interest in any funds
7 Van Sickle is able to collect on the civil judgment.

8 123. JD's debt on the civil judgment is still outstanding. JD has not made any payments towards the settlement of
9 this civil judgment to Grimes or anyone.

10 124. Van Sickle never paid back Grimes or her husband the at least \$34,000 they invested in this investment
contract. Van Sickle never paid back DN the approximately \$40,000 he invested in this investment contract.

Discounted Asset Investment Fraud: House Flip

Background

11 125. At or around the time Van Sickle assigned the civil judgment to Grimes, Van Sickle told Grimes that he had
12 negotiated a deal with the estate of CM to remove the estate's 40% interest in the civil judgment. Van Sickle told
13 Grimes that the estate of CM agreed to sell CM's house and its 40% interest in the civil judgment in exchange for
14 \$120,000 in gold. In reality, Van Sickle never spoke to the estate of CM regarding the purchase of CM's home or the
removal of its 40% interest in the civil judgment.

15 126. Van Sickle told Grimes that he would wait until after the estate of CM assigned the remaining 40% position
16 in the civil judgment to Grimes, before settling the civil judgment with JD for \$500,000. Van Sickle assured Grimes
17 that once they closed this deal with the estate of CM, Grimes and DN would finally get paid on their investments in
the civil judgment.

18 127. Van Sickle told Grimes that the estate of CM undervalues CM's home, and that there is a great investment
opportunity to purchase and flip CM's home for a profit.

19 128. Neither Van Sickle nor Grimes had the \$120,000 required to close the deal. Van Sickle told Grimes that they
20 would have to look for outside investors, or risk losing their chance of obtaining 100% of the civil judgment. In or
21 around March 2014, Van Sickle told Grimes that he had found an investor to invest \$45,000 in the CM house flip.
22 Van Sickle told Grimes that he purchased a set of kilo gold bars with this money. Van Sickle told Grimes that he
23 promised this investor a return of \$20,000. Van Sickle told Grimes that she needed to go out and find private money
24 so they could acquire and flip CM's house. Van Sickle told Grimes that Van Sickle had already found one investor,
and now it was Grimes's turn to find investors.

Investment

1 129. From about April to July 2014, Grimes and Van Sickle offered or sold unregistered promissory notes to at
2 least fifteen Washington residents. Grimes and Van Sickle told potential investors that the money raised from these
3 promissory notes would be used to flip a house for a substantial profit.

4 130. In or around early April 2014, Grimes began searching for people to invest in the CM house flip. Grimes
5 began searching for investors for at least two reasons. First, based on what Van Sickle had told her, Grimes truly
6 believed that the purchase of CM's home was a good investment and that a lot of money could be made for investors.
7 And second, Grimes believed that if she was able to close this home deal with the estate of CM, the estate of CM
8 would assign her its 40% interest in the civil judgment, and she would stand to earn a profit of approximately
9 \$320,000.

10 131. Throughout the entire time Grimes searched for investors for the house flip, Grimes failed to disclose to
11 investors all the details of the purported deal with the estate of CM, namely that Grimes stood to profit a substantial
12 amount of money from the settlement of a civil judgment if the house actually closed. Grimes also failed to disclose to
13 investors all of the prior failed investments she and her husband had entered into with her business partner, Van
14 Sickle, which at that time totaled at least \$780,000.

15 132. From April to July 2014, Grimes offered an investment in the CM house flip to at least fourteen people, one
16 of whom Grimes contacted via cold-call. Grimes never asked any of these investors about their prior investment
17 experience, their net worth, or their income.

18 133. In or around May 2014, Grimes offered DB and BB, a married couple, an investment in a promissory note.
19 Grimes told DB and BB that she and her business partner Troy had a great opportunity to flip the house of a man
20 named CM who had recently died. Grimes told DB and BB that Troy had a working relationship with the estate of
21 CM, and he was in direct communication with the estate regarding the purchase of CM's home. Grimes told DB that it
22 is the desire of the estate to handle the assignment of the property as a private transaction, without the use of
23 traditional escrow. Grimes told DB that Troy was the one in direct communication with the estate of CM regarding
24 the property purchase. Grimes failed to disclose to DB and BB the last name of Van Sickle.

25 134. On May 22, 2014, Grimes told DB that she and Troy were seeking a \$60,000 loan for 180 days. Grimes
offered DB a \$16,000 return on a loan of \$30,000. Grimes offered DB and BB a promissory note issued by Grimes's
entity, Surreal Holdings, which would be secured by a deed of trust on the CM property as soon as the property was
purchased.

135. On May 22, 2014, Grimes brought DB to take a look at CM's house. Grimes told DB that the house of CM
was worth a lot more than the asking price and that she and Troy will easily be able to refurbish the property or just
turn it around and resell the house for a profit. Grimes provided DB with documents that showed the value of homes
located near CM's home to demonstrate the potential value.

1 136. On June 1, 2014, Grimes misrepresented to DB that Grimes had secured the rest of the funding for the
2 investment house from another investor. In reality, Grimes had not yet secured additional funding. Later that same
3 night, Grimes dropped off a signed promissory note and deed of trust for the investment house to DB and BB. In the
4 promissory note, Grimes promised a return of \$16,000 for DB and BB's \$30,000 investment.

5 137. On June 2, 2014, DB and BB wired \$30,000 to Grimes's entity, Surreal Holdings. Grimes DB and BB that the
6 use of these investment proceeds would go towards the purchase of CM's house. DB and BB obtained their
7 investment funds from a line of credit they took out against the equity in their home.

8 138. Van Sickle instructed Grimes to convert all of the investment funds she raised to gold because the estate of
9 CM insisted on being paid in gold. Grimes failed to disclose to DB and BB that the estate of CM demanded payment
10 for the investment house in gold bars. On June 3, 2014, Grimes used DB and BB's investment funds to purchase a
11 gold bar. Van Sickle instructed Grimes to mail the gold bar to him via FedEx. On or about June 11, 2014, Grimes
12 mailed this gold bar via FedEx to Van Sickle.

13 139. Despite Grimes telling DB on June 2, 2014 that she had secured the rest of the investment funds for the house
14 investment, Grimes continued trying to raise the remaining \$45,000 required to purchase the home.

15 140. In or around June 2014, Grimes offered IL and IG, two friends, an investment in a promissory note secured by
16 real property. On June 24, 2014, Grimes met with IL and IG to discuss the house investment. At this meeting, Grimes
17 gave a similar pitch to the one she had given to DB and BB. Grimes explained to IL and IG that her business partner
18 was handling all the details of the home purchase with the estate down in California. Grimes failed to disclose to IL
19 and IG the name of her business partner, Van Sickle.

20 141. On or about June 24, 2014, Grimes told IL and IG that she and her business partner were seeking a \$45,000
21 loan for 180 days. Grimes offered IL and IG a \$9,000 return on a loan of \$22,500. Grimes offered IL and IG a
22 promissory note issued by Grimes's entity, Surreal Holdings, which would be secured by a deed of trust on the CM
23 property as soon as the property was purchased.

24 142. On June 25, 2014, Grimes took IL and her boyfriend to see CM's house. After looking at the home, IL
25 decided to invest. IG also decided to invest.

143. On June 30, 2014, Grimes issued a promissory note, through her entity Surreal Holdings, to IL and IG. Each
note was for a \$22,500 loan and promised a return of \$9,000.

144. On or about July 1, 2014, IL and IG wired a total of \$45,000 to Grimes's Surreal Holdings bank account.

145. At the time IL and IG invested their funds, Grimes knew that she was going to use the funds to purchase gold
bars and she knew that she was going to FedEx these gold bars to Van Sickle. Grimes failed to disclose to IL and IG
that she planned to purchase gold bars with their investment funds and FedEx these gold bars to Van Sickle, a man
who had solicited over \$900,000 from Grimes and her husband for investments that had yet to yield any sort of return.

1 On July 2, 2014, Grimes used IL and IG's funds to purchase gold bars. On or about July 9, 2015, Grimes sent Van
2 Sickle the gold bars via FedEx.

3 146. On at least one occasion, Van Sickle personally offered the CM house flip investment to a Washington State
4 resident, MH. Van Sickle called MH to try to get MH to convince his father, PH, to invest in the house flip. Van
5 Sickle wanted PH to take out a loan of \$100,000 on his house to make this investment. Van Sickle also asked MH to
6 invest in the CM house flip. Van Sickle knew that MH had recently received an inheritance of \$40,000. Van Sickle
7 asked MH to invest this \$40,000 inheritance into a promissory note to facilitate the CM house flip. Van sickle told
8 MH that this house flip investment was a "win-win" situation because MH would earn a return on his investment and
9 he would get paid to do all the refurbishment work on the house. Neither MH nor PH decided to invest in the CM
10 house flip.

11 147. In addition to the \$75,000 invested in the house flip by DB, BB, IL, and IG, Grimes and her husband invested
12 approximately \$8,200 and DN invested \$2,000 with the expectation of receiving a return.

13 148. Van Sickle never gave any gold bars to the estate of CM. Van Sickle never acquired any property from the
14 estate of CM. Van Sickle never returned any funds, gold or otherwise, back to Grimes or the other Washington State
15 investors.

16 Registration Status

17 149. Respondent Troy Van Sickle is not currently registered to sell his securities in the state of Washington and
18 has not previously been so registered.

19 150. Respondent Surreal Holdings, LLC is not currently registered to sell its securities in the state of Washington
20 and has not previously been so registered.

21 151. Respondent Troy Van Sickle is not currently registered as a securities salesperson or broker-dealer in the state
22 of Washington and has not previously been so registered.

23 152. Respondent Shelley Grimes is not currently registered as a securities salesperson or broker-dealer in the state
24 of Washington and has not previously been so registered.

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

CONCLUSIONS OF LAW

1. The offer or sale of investment contracts and/or evidence of indebtedness as described above constitute the
offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

2. The offer or sale of said securities are in violation of RCW 21.20.140 because no registration for such an offer
and/or sale is on file with the Securities Administrator, state of Washington.

3. Van Sickle violated RCW 21.20.010 because, as set forth in the Tentative Findings of Fact, in connection
with the offer, sale or purchase of any security, directly or indirectly, Van Sickle made misstatements of material facts

1 or omitted to state material facts necessary in order to make the statements made, in the light of circumstances under
2 which they were made, not misleading.

3 4. Grimes and Surreal Holdings, LLC violated RCW 21.20.010 because, as set forth in the Tentative Findings of
4 Fact, in connection with the offer, sale or purchase of any security, directly or indirectly, Grimes and Surreal
5 Holdings, LLC made misstatements of material facts or omitted to state material facts necessary in order to make the
6 statements made, in the light of circumstances under which they were made, not misleading.

7 5. Troy Van Sickle violated RCW 21.20.040 by offering or selling said securities while not registered as a
8 securities salesperson or broker-dealer in the state of Washington.

9 6. Shelley Grimes violated RCW 21.20.040 by offering or selling said securities while not registered as a
10 securities salesperson or broker-dealer in the state of Washington.

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

12 Pursuant to RCW 21.20.390(1) and based upon the above Tentative Findings of Fact and Conclusions of Law,
13 the Securities Administrator intends to order that Respondents Troy Van Sickle; Shelley Grimes; and Surreal
14 Holdings, LLC each shall cease and desist from violations of RCW 21.20.140.

15 Pursuant to RCW 21.20.390(1) and based upon the above Tentative Findings of Fact and Conclusions of Law,
16 the Securities Administrator intends to order that Respondents Troy Van Sickle; Shelley Grimes; and Surreal
17 Holdings, LLC each shall cease and desist from violations of RCW 21.20.010.

18 Pursuant to RCW 21.20.390(1) and based upon the above Tentative Findings of Fact and Conclusions of Law,
19 the Securities Administrator intends to order that Respondents Troy Van Sickle and Shelley Grimes each shall cease
20 and desist from violations of RCW 21.20.040.

21 **NOTICE OF INTENT TO IMPOSE A FINE**

22 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of Law,
23 the Securities Administrator intends to order that Respondent Troy Van Sickle shall be liable for and shall pay a fine
24 of \$100,000.

25 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of Law,
the Securities Administrator intends to order that Respondents Shelley Grimes and Surreal Holdings, LLC shall be
jointly and severally liable for and pay a fine of \$10,000.

NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law, the
Securities Administrator intends to order that Respondent Troy Van Sickle shall be liable for and shall pay
investigative costs of \$20,000.

Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents Shelley Grimes and Surreal Holdings, LLC shall be jointly and severally liable for and shall pay investigative costs of \$2,000.

AUTHORITY AND PROCEDURE

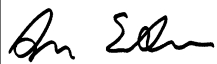
This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the provisions of Chapter 34.05 RCW. The respondents, Troy Van Sickle; Shelley Grimes; and Surreal Holdings, LLC, may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. 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 and to enter a permanent order to cease and desist as to that respondent, to impose any fines sought against that respondent, and to charge any costs sought against that respondent.

Signed and Entered this 7th day of January 2016.



William M. Beatty
Securities Administrator

Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Brian J. Guerard
Financial Legal Examiner

Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor