

1  
2  
3  
4  
5  
6

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

7  
8  
9  
10  
11  
12  
13

IN THE MATTER OF DETERMINING ) Order No.: S-15-1624-15-SC01  
Whether there has been a violation of the )  
Securities Act of Washington by: ) STATEMENT OF CHARGES AND NOTICE OF INTENT  
 ) TO ENTER ORDER TO CEASE AND DESIST, TO  
MiniHYA Corporation; and Raymond Willis, ) IMPOSE FINES AND, TO CHARGE COSTS  
 )  
Respondents. )

---

14  
15  
16  
17  
18

**THE STATE OF WASHINGTON TO:                      MiniHYA Corporation; and  
Raymond Willis**

19  
20  
21  
22  
23  
24  
25

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents MiniHYA Corporation and Raymond Willis 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 the following:

**TENTATIVE FINDINGS OF FACT**

Respondents

1. MiniHYA Corporation is a Wyoming Corporation formed for the purpose of developing and selling a nutritional supplement. MiniHYA Corporation uses a Washington address for its business.
2. Raymond Willis acts as the principal of MiniHYA Corporation. A Washington resident, Raymond Willis also works as a high school counselor in Seattle, Washington.

Background

3. In 2012, Raymond Willis raised over \$250,000 from more than 40 investors to finance AuJeune Corporation and Ra Ghala Corporation. Raymond Willis acted as the principal of both companies. He represented to investors that AuJeune Corporation would create and market cosmetic and skin care products and that Ra Ghala Corporation had developed a mammogram machine, a device to pick up pet waste, and a bandage.
4. On September 20, 2013, the Securities Division entered into Consent Order No. S-12-1039-13-CO01 with Raymond Willis, AuJeune Corporation, and Ra Ghala Corporation, in which the parties neither admitted nor denied the Securities Division's allegations that they had violated the registration and anti-fraud provisions of the Securities Act of Washington (Act) through their efforts to raise capital. As part of the consent order, Ray Willis, AuJeune Corporation, and Ra Ghala Corporation each agreed to cease and desist from violating the Act.

1 In March 2015, an investor in both AuJeune Corporation and Ra Ghala Corporation filed a lawsuit against the  
2 two companies and Raymond Willis, alleging violations of the Securities Act of Washington and the Washington  
3 Consumer Protection Act and claiming unjust enrichment, negligent misrepresentation, and common law fraud.  
4 Raymond Willis, AuJeune Corporation, and Ra Ghala Corporation have denied these claims. As of this writing, this  
5 lawsuit is ongoing.

6 To date, investors in both AuJeune Corporation and Ra Ghala Corporation have received no return on their  
7 investments, and neither company has brought any of their products to market.

#### 8 Nature of the Offering

9 In 2014, Raymond Willis sought to raise \$500,000 through the sale of stock in MiniHYA Corporation.  
10 Raymond Willis represented to investors that MiniHYA Corporation had developed a nutritional supplement, which  
11 would reduce wrinkles, improve circulation, and ease joint and muscle pain. The nutritional supplement, he claimed,  
12 would have no side effects.

13 Raymond Willis solicited investments in person, over national conference calls, and through email. Raymond  
14 Willis also solicited at least one investor in an internet chat room for African-American interests. He used his  
15 acquaintances, including a purported pastor, to find prospective investors as well. Raymond Willis frequently called,  
16 texted, and emailed at least one investor, encouraging her to invest in MiniHYA Corporation. Through all of these  
17 efforts, MiniHYA Corporation raised over \$40,000 from at least 35 investors, two of whom are Washington residents.

18 In offering material provided to investors, MiniHYA Corporation announced that it had created the nutritional  
19 supplement and researched its effects over a number of years. The company stated that the product had been subject to  
20 extensive "research clinical studies" and clinical trials. Neither MiniHYA Corporation nor Raymond Willis, however,  
21 fully explained to investors how the company would be able to develop, manufacture, and then sell a nutritional  
22 supplement, which can reduce wrinkles, improve circulation, and ease joint and muscle pain. And they failed to  
23 disclose to investors the nature, extent, and results of any clinical research related to the nutritional supplement.

24 MiniHYA Corporation told investors that it had entered into a five-year contract with an unnamed company to  
25 have its nutritional supplement developed. Neither MiniHYA Corporation, nor Raymond Willis, however, disclosed  
the nature and the terms of this contract. The company also claimed to have United States and international  
"laboratory partners," but did not provide any details on the nature and scope of these purported relationships.

The company further stated that it had received approval from the Federal Drug Administration (FDA) to sell  
its nutritional supplement. There is no indication that Raymond Willis or MiniHYA Corporation have ever filed for  
premarket approval from the FDA to sell any product or that they needed to file for any premarket approval.

MiniHYA Corporation misrepresented to investors that it had applied to have its formula for its nutritional  
supplement patented and that it had received a patent for the product. A search of filings with United States Patent

Office does not reveal that MiniHYA Corporation or Raymond Willis have any patent applications pending or that they hold any patents.

13. In a conference call that Raymond Willis hosted, Raymond Willis told investors that MiniHYA Corporation sought to have its shares publicly traded, at which point investors would be able to sell their shares of stock in the company. Raymond Willis, however, failed to disclose to the investors on the call what, if any, progress the company had made in attempting to have its shares publicly traded. Moreover, MiniHYA Corporation and Raymond Willis failed to disclose to these investors that a public market for shares of MiniHYA Corporation stock might not develop, and that even if a public market did develop, the market might not be liquid.

14. The company further claimed that when it began selling its nutritional supplement, it would start earning substantial revenues. Raymond Willis also represented to at least one investor that she could earn up to \$40,000 from a \$2,000 investment in MiniHYA Corporation. Furthermore, MiniHYA Corporation, according to Raymond Willis, had the following five year revenue projections:

2014	2015	2016	2017	2018
\$5,000,000	\$15,000,000	\$40,000,000	\$80,000,000	\$160,000,000

MiniHYA Corporation and Raymond Willis failed to disclose the basis and assumptions underlying these financial representations and failed to provide investors with information about MiniHYA Corporation's assets and liabilities at the time.

15. MiniHYA Corporation and Raymond Willis did not inform investors that Raymond Willis had previously entered into a consent order with the Securities Division involving his previous efforts to raise capital and that Raymond Willis is the subject of a lawsuit related to those same efforts. And the two further failed to disclose to MiniHYA Corporation investors what progress, if any, Ra Ghala Corporation and AuJeune Corporation had achieved in executing their business plan, as well of the status of past investments in these companies.

16. Both MiniHYA Corporation and Raymond Willis failed to disclose to at least two investors any general or specific risks associated with investing in an early-stage nutritional supplement company.

17. Investors in MiniHYA Corporation either wired their funds to MiniHYA Corporation's Washington bank account, or they mailed a check issued to MiniHYA Corporation check to the company's address in Seattle, Washington. At least two investors were of more modest means, one of whom earned slightly more than minimum wage and used funds from her retirement account to invest in MiniHYA Corporation, in the hopes that she could earn enough money from the investment to live independently.

18. Raymond Willis has since falsely represented that UBS Financial Services will underwrite, promote, and broker MiniHYA Corporation stock. Additionally, in emails to investors, Raymond Willis quoted a UBS Financial Services Senior Vice President about her enthusiasm for MiniHYA Corporation's stock. The quoted person does not

1 work at UBS Financial Services, and UBS Financial Services has had no contact with Raymond Willis or MiniHYA Corporation.

2 19. In subsequent communications with investors, Raymond Willis further falsely represented that a specific  
3 company provides MiniHYA Corporation with accounting services and that MiniHYA Corporation entered into a  
4 contract with a specific company to distribute MiniHYA Corporation's nutritional supplement. These named  
5 companies do not provide any services to MiniHYA Corporation and do not have any agreement to do so.

6 20. In recent emails, Raymond Willis also told investors that the formula in MiniHYA Corporation's nutritional  
7 supplement has been approved by the United States Department of Health and Human Services. The agency, however,  
8 does not regulate the premarket sale of health or cosmetic products.

9 21. At least two investors have yet to receive a signed investment agreement or stock certificate from MiniHYA  
10 Corporation. MiniHYA Corporation and Raymond Willis initially claimed that the company would begin selling its  
11 orally ingestible capsule in the second quarter of 2014. To date, MiniHYA Corporation investors have not received any  
12 return on their investment and the company's nutritional supplement is not commercially available. MiniHYA  
13 Corporation has since revised its launch date to the fourth quarter of 2015.

#### 14 Registration Status

15 22. MiniHYA Corporation is not currently registered to sell securities in Washington and has not previously been  
16 registered to do so.

17 23. Raymond Willis is not currently registered as a securities salesperson in Washington and has not been  
18 previously registered as one.

#### 19 Failure to Comply with Regulation D, Rule 506

20 24. In an October 29, 2014, filing with the Securities Division, MiniHYA Corporation claimed an exemption from  
21 registration for its offering under Regulation D, Rule 506(b), and Raymond Willis claimed an exemption from  
22 registration as a securities salesperson under the same provision.

23 25. WAC 460-44A-503(1)(a)(i)(A) requires that for an issuer to claim an exemption from registration under  
24 Regulation D, Rule 506(b), the issuer file a notice of exemption from registration with the Securities Division no later  
25 than 15 days after the issuer's first sale of securities in Washington. However, in their notice of exemption from  
26 registration that MiniHYA Corporation and Raymond Willis filed with the Securities Division on October 29, 2014,  
27 MiniHYA Corporation and Raymond Willis indicated that MiniHYA Corporation had first sold securities in  
28 Washington on August 8, 2014, well over 15 days prior to the notice filed with our office.

29 26. Additionally, WAC 460-44A-506 prohibits the use of general solicitation to offer or sell securities pursuant to  
30 a claim of exemption from registration under Regulation D, Rule 506(b). Raymond Willis offer and sale of securities  
31 through email, national conference calls, internet chat rooms, and his acquaintances constitutes general solicitation in  
32 violation of WAC 460-44A-506.

27. WAC 460-44A-506 further requires that a claim of an exemption from registration for an offering under Regulation D, Rule 506(b) also be filed with the Securities and Exchange Commission. Neither MiniHYA Corporation, nor Raymond Willis filed a claim of an exemption from registration with the Securities and Exchange Commission.

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

### CONCLUSIONS OF LAW

1. The offer and sale of shares of stock in MiniHYA Corporation as described above constituted the offer and sale of a security as defined in RCW 21.20.005(14) and (17).
2. The offer and sale of these securities is in violation of RCW 21.20.140 because no registration for such an offer and sale is on file with the Securities Division and no valid claim of exemption under WAC 460-44A-506 exists.
3. Raymond Willis has violated RCW 21.20.040 by offering and selling securities while not registered as a securities salesperson in Washington and because no valid claim of exemption under WAC 460-44A-506 exists.
4. The offer and sale of these securities were in violation of RCW 21.20.010 because MiniHYA Corporation and Raymond Willis made untrue statements of material fact or omitted to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

### NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST

Pursuant to RCW 21.20.390(1) and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that MiniHYA Corporation shall cease and desist from violations of RCW 21.20.010 and RCW 21.20.140 and that Raymond Willis shall cease and desist from violations of RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140.

### NOTICE OF INTENT TO IMPOSE A FINE

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 MiniHYA Corporation shall be liable for and shall pay a fine of \$10,000 and that Raymond Willis shall be liable for and shall pay a fine of \$20,000.

### 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 MiniHYA Corporation shall be liable for and shall pay investigative costs of no less than \$2,000 and that Raymond Willis shall be liable for and shall pay costs, fees, and expenses incurred in the administrative investigation and hearing of no less than \$5,000.

1 **AUTHORITY AND PROCEDURE**

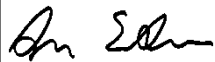
2 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the  
3 provisions of Chapter 34.05 RCW. MiniHYA Corporation and Raymond Willis may each make a written request for  
4 a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING  
5 accompanying this Order. If a respondent does not make a hearing request in the time allowed, the Securities  
6 Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a  
7 permanent order to cease and desist as to that respondent, to impose any fines sought against that respondent, and to  
8 charge any costs sought against that respondent.

9 Signed and Entered this 18th day of December 2015.

10 

11  
12 \_\_\_\_\_  
13 William M. Beatty  
14 Securities Administrator

15 Approved by:

16 

17 \_\_\_\_\_  
18 Suzanne Sarason  
19 Chief of Enforcement

20 Presented by:

21 

22 \_\_\_\_\_  
23 Eric Palosaari  
24 Financial Legal Examiner

25 Reviewed by:



\_\_\_\_\_  
Jack McClellan  
Financial Legal Examiner Supervisor