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

IN THE MATTER OF DETERMINING) Order No.: S-17-2197-17-FO01
Whether there has been a violation of the)
Securities Act of Washington by:) ENTRY OF FINDINGS OF FACT AND
) CONCLUSIONS OF LAW AND
Ryan Oliver Lyden,) FINAL ORDER TO CEASE AND DESIST,
) TO IMPOSE A FINE, TO CHARGE COSTS,
Respondent) AND TO DENY FUTURE REGISTRATION
) APPLICATIONS

THE STATE OF WASHINGTON TO: Ryan Oliver Lyden

INTRODUCTION

On July 17, 2017, the Securities Administrator of the state of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose a Fine, to Charge Costs, and to Deny Future Registration Applications, Order No. S-17-2197-17-SC-01 (hereinafter referred to as “Statement of Charges”). The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing, hereinafter referred to as “Notice of Opportunity for Hearing” and an Application for Adjudicative Hearing, hereinafter referred to as “Application for Hearing,” were served on Respondent Ryan Oliver Lyden, on July 24, 2017. The Notice of Opportunity for Hearing advised Respondent Ryan Oliver Lyden, that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of receipt of the notice. Respondent Ryan Oliver Lyden failed to request an administrative hearing within twenty days of receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided, or otherwise.

The Securities Administrator therefore will adopt as final the following Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enter a final order against the Respondent to cease and desist from violations of the Securities Act, to impose the fines and costs sought in the Statement of Charges, and to deny future registration applications.

FINAL ORDER

1 The Securities Administrator makes the following Findings of Fact and Conclusions of Law:

2 **FINDINGS OF FACT**

3 **Respondent**

4 1. Ryan Oliver Lyden (“Lyden”) was a Washington resident. In 2017, Lyden resided and did
5 business in Liberty Lake, Washington.

6 **Nature of the Conduct**

7 2. During February 2017, Lyden offered and sold a total of approximately \$11,700 worth of
8 stock to at least two investors, both of whom were Washington residents. Lyden represented to the
9 investors that they would be purchasing penny stock in a cryptocurrency company that would be going
10 public. Instead, Lyden converted the investors’ funds to his own use and never purchased any stock for the
11 investors.

12 **Misrepresentations and Omissions**

13 3. When offering and selling the stock, Lyden failed to disclose to the investors that
14 cryptocurrency, a digital medium of exchange that uses encryption techniques to regulate virtual currency
15 transactions, is subject to significant risks. Lyden failed to disclose that cryptocurrency has no government
16 backing and no insurance, that there is no centralized control over the issuance of the currency, that the
17 value of the cryptocurrency depends on peer-to-peer acceptance of the currency as a medium of exchange,
18 that virtual currencies are subject to significant price volatility, and that virtual currency is subject to
19 hacking and is vulnerable to fraud.

20 4. When offering and selling the stock, Lyden failed to disclose material information about the
21 company that would allegedly issue the stock. Lyden failed to disclose the financial condition and operating
22 history of the company, including any assets and liabilities and any income and expenses, and whether
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1 Lyden owned any stock or any rights to purchase stock in the company. Lyden failed to disclose the
2 background and experience of company management.

3 5. Lyden misleadingly represented to the investors that the company's value would increase
4 significantly, and the stock price could double or triple within a short time after going public. However,
5 Lyden failed to disclose why there would be such a dramatic price increase. Lyden also failed to disclose
6 the securities registration status of the company's stock.

7 6. Lyden misleadingly represented to the investors that they needed to invest quickly with
8 Lyden, so that they could purchase the company's stock before it went public. However, Lyden failed to
9 disclose that Lyden was going to convert the investors' funds to his own use. Lyden kept the investor funds
10 and never delivered any stock to the investors.

11 **Criminal Proceeding**

12 7. On May 25, 2017, Lyden admitted to a Liberty Lake police officer that Lyden had never
13 purchased any stock for the two investors. On June 22, 2017, Lyden was charged in Spokane County
14 Superior Court with two counts of first degree theft.

15 **Lyden's Registration Status**

16 8. When offering and selling the stock, Lyden falsely represented to the investors that Lyden
17 was an investment adviser. Lyden also falsely represented to the Liberty Lake police officer that Lyden was
18 a financial adviser who was doing business under the name "Oliver & Associates." In fact, Lyden has never
19 been registered as an investment adviser or an investment adviser representative in the state of Washington.
20 Lyden has also never been registered as a securities salesperson or a broker-dealer in the state of
21 Washington.
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1 Based upon the above Findings of Fact, the following Conclusions of Law are made:

2 **CONCLUSIONS OF LAW**

3 1. The offer and/or sale of the stock described above constitute the offer and/or sale of a
4 security as defined in RCW 21.20.005(14) and (17).

5 2. Ryan Oliver Lyden violated RCW 21.20.010, because, as set forth in the Findings of Fact,
6 the Respondent made untrue statements of material fact or omitted to state material facts necessary to make
7 the statements made, in light of the circumstances in which they were made, not misleading. Such conduct
8 is grounds for denying a securities broker-dealer, securities salesperson, investment adviser, or investment
9 adviser representative registration pursuant to RCW 21.20.110(1)(b).

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

11 **FINAL ORDER**

12 IT IS HEREBY ORDERED that the Respondent Ryan Oliver Lyden, his agents and employees each
13 shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of
14 Washington.

15 IT IS FURTHER ORDERED that the Respondent Ryan Oliver Lyden shall be liable for and pay a
16 fine in the amount of \$1,500.

17 IT IS FURTHER ORDERED that the Respondent Ryan Oliver Lyden shall be liable for and pay costs
18 in the amount of \$500.

19 IT IS FURTHER ORDERED that the Respondent Ryan Oliver Lyden shall be denied any registration
20 application for broker-dealer, securities salesperson, investment adviser, and/or investment adviser
21 representative that is filed with the Washington Securities Division.
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25 **FINAL ORDER**

AUTHORITY AND PROCEDURE

This FINAL ORDER is entered pursuant to the provisions of RCW 21.20.110 and RCW 21.20.390, and is subject to the provisions of RCW 21.20.120, RCW 21.20.440, and Chapter 34.05 RCW. The Respondent has the right to petition the superior court for judicial review of this agency action under the provisions of RCW 34.05. For the requirements for Judicial Review, see RCW 34.05.510 and sections following. Pursuant to RCW 21.20.395, a certified copy of this Order may be filed in Superior Court. If so filed, the clerk shall treat the Order in the same manner as a Superior Court judgment as to the fine, and the fine may be recorded, enforced, or satisfied in like manner.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

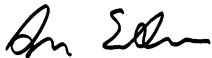
SIGNED and ENTERED this 17th day of August, 2017



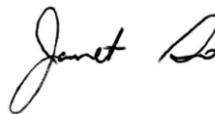
William M. Beatty
Securities Administrator

Approved by:

Presented by:



Suzanne Sarason
Chief of Enforcement



Janet So
Financial Legal Examiner

1 Reviewed by:

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4 Robert Kondrat
5 Financial Legal Examiner Supervisor
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