

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

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

IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of Washington by:

Shamero A. Terry d/b/a Urban Traffic,

Respondent.

Order Number S-18-2408-19-FO01

**ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL
ORDER TO CEASE AND DESIST,
IMPOSE FINES, AND CHARGE COSTS**

INTRODUCTION

On August 30, 2019, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Issue an Order to Cease and Desist, Impose Fines, and Charge Costs, S-18-2408-19-SC01, (“Statement of Charges”), against the Respondent Shamero A. Terry d/b/a Urban Traffic. The Statement of Charges, together with a Notice of Opportunity for Hearing (“Notice”) and an Application for Adjudicative Hearing (“Application”), were served on the Respondent on October 31, 2019. The Notice advised the Respondent that the Application must be received within twenty days from the date of service. The Respondent Shamero A. Terry d/b/a Urban Traffic failed to request an administrative hearing within twenty days of service.

The Securities Administrator therefore adopts as final the following Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enters a final order against the Respondent Shamero A. Terry d/b/a Urban Traffic to cease and desist from violations of the Securities Act, and to impose the fines and costs sought in the Statement of Charges.

1 **FINDINGS OF FACT**

2 **Respondent**

3 1. Shamero A. Terry d/b/a Urban Traffic (“Terry”) is believed to currently reside in
4 Lynnwood, Washington. In approximately 2010, Terry moved to Washington from Maryland. Terry is
5 also known by the aliases Shy Terry and Decarlo Terry. Urban Traffic is a sole proprietorship that Terry
6 started in approximately 2012.

7 **Introduction**

8 2. Between 2014 and 2016, Terry solicited five investors, including four Washington
9 residents, to invest a total of approximately \$110,000 with Urban Traffic, his concert promotion
10 business. The investments were in the form of promissory notes. In 2016, Terry continued to raise
11 funds without telling new investors that he had not repaid past investors. Terry also failed to disclose his
12 criminal history to investors and he misused some investor funds. To date, none of the investors have
13 received any interest or principal payments from Terry. At least two investors had never invested in a
14 similar investment before.

15 **Offer and Sale of Investments**

16 *Investments in 2014*

17 3. In approximately 2014, a Washington resident met Terry at a networking event. Terry
18 solicited the resident to invest in Urban Traffic. Terry represented that his business operated a website
19 for independent music artists to promote themselves in return for a subscription fee. The resident was
20 not interested in the investment. Subsequently, Terry contacted the resident and solicited him to invest
21 funds with Urban Traffic specifically for a concert in August 2014. When the resident expressed interest
22

1 in the investment, Terry asked the resident if he knew anyone else who would also be interested in
2 investing.

3 4. The resident told two of his friends, both Washington residents, about the investment and
4 they were also interested in investing with Terry. The three residents met with Terry to discuss the terms
5 of the investment. Terry represented that the concert would feature a fairly well-known music artist and
6 would be held in Spokane, Washington. Terry represented that Urban Traffic and another concert
7 promotion company would both contribute \$17,500 for the concert and both businesses would share
8 equally in the profits.

9 5. In approximately July 2014, the three residents invested a total of \$16,000 with Terry to
10 fund the majority of Urban Traffic's contribution to the concert. Each of the investors signed a
11 promissory note with Terry, stating that they would receive their principal plus a 50% return by
12 September 9, 2014. The investors gave Terry a cashier's check for \$16,000.

13 6. Terry did not provide the investors with any disclosure documents prior to their
14 investment. Terry failed to provide the investors with material information regarding his business,
15 including the operational history, litigation history, financial statements, and the general and specific
16 risks of the investment. Terry also failed to disclose his criminal history of armed robbery (from when
17 he previously resided in Maryland) to at least two of the investors. In November 2006, Terry was
18 charged in the Circuit Court for Anne Arundel County, Maryland, with a felony count of armed robbery
19 and a misdemeanor count of attempted armed robbery. In 2007, Terry pled guilty and was sentenced to
20 ten years of prison.

21 7. After the investments were made, the music artist that was supposed to perform at the
22

1 concert was replaced with a lesser-known artist. After the concert, Terry represented to the investors
2 that the concert was not as profitable as expected and there was no money to repay them. The investors
3 have not received the return of their principal or any interest payments.

4 *Investments in 2016*

5 8. In 2016, Terry started to raise funds again for Urban Traffic. In September 2015, Terry
6 represented to a friend, a Pennsylvania resident, that he was successful in the concert business. Terry
7 sent the friend an image of what he represented was the balance of his bank account, which had over \$1
8 million dollars. Approximately six months later, in March 2016, Terry solicited the friend to invest with
9 Urban Traffic. Terry represented that the investor's funds would primarily be used to organize and
10 promote several concerts during one year, and that some funds would also be used for business expenses.
11 Terry represented that he had previous investors and he sent the investor an image of the \$16,000 check
12 he received from the investors in 2014. Terry failed to disclose that these investors did not receive the
13 return of their principal or any interest on their investment.

14 9. In approximately April 2016, Terry solicited a second investor to invest with Urban
15 Traffic. Terry solicited a woman that he was dating, a Washington resident, to invest. Terry represented
16 to the resident that her investment funds would be used to invest in a concert near Seattle, Washington,
17 in July 2016.

18 10. Between approximately March and April 2016, Terry raised a total of \$80,000 from the
19 two investors. In March 2016, the first investor gave Terry two cashier's checks, totaling \$50,000, and
20 she made a \$10,000 transfer to a PayPal account in the name of Urban Traffic. Terry provided the
21 investor with a promissory note, dated March 20, 2016, that stated that she would receive a 15% annual
22

1 return. Terry represented to the investor that the maturity date of the note was one year. The second
2 investor invested \$20,000 in cash with Terry. Terry provided the investor with a promissory note, dated
3 April 21, 2016, with a maturity date in September 2016. Terry represented to this investor that her
4 investment would receive interest of approximately 25% to 50%.

5 11. In approximately August 2016, Terry solicited the first investor to invest additional funds.
6 Terry represented that additional investment funds would be used for his travel expenses to an out-of-
7 state concert that he was organizing in Atlanta, Georgia. The investor agreed to invest additional funds,
8 and between August and September 2016, she made additional transfers totaling approximately \$13,622
9 to the PayPal account in the name of Urban Traffic.

10 12. Terry did not provide the investors with any disclosure documents prior to their
11 investment. Terry failed to provide the investors with material information regarding his business,
12 including the operational history, litigation history, financial statements, and the general and specific
13 risks of the investment. Terry failed to disclose his criminal history of armed robbery to at least one of
14 the investors and he also failed to disclose to the second investor that he failed to repay past investors in
15 2014.

16 13. Terry misused at least part of the funds that he received from the first investor. Instead of
17 using the investor's funds as represented for concerts, business expenses, or travel expenses to Georgia,
18 Terry used some of the investor's funds at casinos. Between approximately March and September 2016,
19 Terry withdrew nearly \$3,000 of her funds from his bank account and PayPal account at repeated trips to
20 casinos in Washington and West Virginia. Terry failed to disclose to the investor that her funds could be
21 used for this purpose.

1 IT IS HEREBY ORDERED that the Respondent Shamerio A. Terry d/b/a Urban Traffic shall
2 cease and desist from violation of RCW 21.20.140, the securities registration section of the Securities
3 Act of Washington.

4 IT IS FURTHER ORDERED that the Respondent Shamerio A. Terry d/b/a Urban Traffic shall
5 cease and desist from violation of RCW 21.20.010, the anti-fraud section of the Securities Act of
6 Washington.

7 IT IS FURTHER ORDERED that the Respondent Shamerio A. Terry d/b/a Urban Traffic shall be
8 liable for and shall pay a fine of \$30,000.

9 IT IS FURTHER ORDERED that the Respondent Shamerio A. Terry d/b/a Urban Traffic shall be
10 liable for investigative costs of \$5,000.

11 **AUTHORITY AND PROCEDURE**

12 This FINAL ORDER is entered pursuant to the provisions of RCW 21.20.390, and is subject to
13 the provisions of RCW 21.20.440 and Chapter 34.05 RCW. The Respondent has the right to petition the
14 superior court for judicial review of this agency action under the provisions of Chapter 34.05 RCW. For
15 the requirements for judicial review, see RCW 34.05.510 and sections following. Pursuant to RCW
16 21.20.395, a certified copy of this Order may be filed in Superior Court. If so filed, the clerk shall treat
17 the Order in the same manner as a Superior Court judgment as to the fine, and the fine may be recorded,
18 enforced, or satisfied in like manner.

19
20 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE**

1 DATED AND ENTERED this 4th day of December, 2019.

2
3 

4
5 _____
6 William M. Beatty
7 Securities Administrator

8 Approved by:

9 

10 _____
11 Suzanne Sarason
12 Chief of Enforcement

13 Presented by:

14 

15 _____
16 Bridgett Fisher
17 Financial Legal Examiner

18 Reviewed by:

19 

20 _____
21 Jack McClellan
22 Financial Legal Examiner Supervisor