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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-19-2670-19-SC01
Whether there has been a violation of the)
Securities Act of Washington by:) STATEMENT OF CHARGES AND
Jahshan Gilgeours,) NOTICE OF INTENT TO
Respondent) ENTER ORDER TO CEASE AND DESIST,
) TO IMPOSE A FINE,
) AND TO CHARGE COSTS
)
)

THE STATE OF WASHINGTON TO: Jahshan M. Gilgeours

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondent, Jahshan Gilgeours, has violated the Securities Act of Washington. The Securities Administrator believes those violations justify the entry of an order against the Respondent to cease and desist from such violations and to charge costs pursuant to RCW 21.20.390, and under RCW 21.20.395 to impose a fine. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondent

1. Jahshan Gilgeours (“Gilgeours”) resides in Brooklyn, New York. During 2019, Gilgeours offered and sold an investment to at least one Washington investor. Gilgeours met the investor through online gaming.

Nature of the Offering

2. In January 2019, Gilgeours offered and sold a \$3,500 investment to a Washington investor. Gilgeours represented that the investor was purchasing stock in a New York company named DDCTE

1 Holdings, Inc. (“DDCTE”). Gilgeours represented that he was the managing shareholder, the Chief
2 Executive Officer, and the Chairman of the Board of DDCTE.

3 3. When offering the investment, Gilgeours gave the investor an “Investors Agreement.” The
4 Investors Agreement stated that Gilgeours would have 20,000 shares of stock and the investor would have
5 5,000 shares of stock, which was all of the outstanding stock of DDCTE. The Investors Agreement stated
6 that Gilgeours would “manage, control, and operate” the business of DDCTE. Gilgeours also gave the
7 investor a “Non-Disclosure Agreement,” which stated that the investor would protect any confidential
8 information of DDCTE

9 4. Originally, the investor had planned to invest \$5,000 with Gilgeours, but ultimately the
10 investor transferred a total of \$3,500 to Gilgeours in three separate transactions. Gilgeours told the investor
11 that Gilgeours would make up the difference (\$1,500) in the investment. Gilgeours represented that a
12 \$5,000 investment in DDCTE would earn a return of \$10,000 to \$15,000 within a few months. Gilgeours
13 also represented that the investor’s funds would be used by DDCTE’s subsidiaries, including a clothing
14 business and an online gaming and advertising business. To date, the investor has not received any return
15 on their investment and Gilgeours has stopped communicating with the investor.
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17 **Misrepresentations and Omissions**

18 5. When offering and selling the investment, Gilgeours misrepresented and failed to disclose
19 material risks of the investment. Gilgeours failed to disclose that DDCTE had never been incorporated.
20 Gilgeours failed to provide any financial statements or to disclose the assets and liabilities and the operating
21 history of DDCTE. When the investor asked Gilgeours about the risks of the investment, Gilgeours
22 misleadingly stated that the risks of the investment were mostly timing, such as missing a fashion trend.
23 Gilgeours failed to disclose to the investor that Gilgeours had a prior juvenile criminal conviction for
24 robbery. Gilgeours also failed to disclose that the investor could lose all of their investment.
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1 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

2 **CONCLUSIONS OF LAW**

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

5 2. Gilgeours has violated RCW 21.20.010, because, as set forth in the Tentative Findings of
6 Fact, the Respondent made untrue statements of material fact or omitted to state material facts necessary to
7 make the statements made, in light of the circumstances in which they were made, not misleading.

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

9 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities
10 Administrator intends to order, pursuant to RCW 21.20.390(1), that Jahshan Gilgeours, his agents and
11 employees each shall cease and desist from violations of RCW 21.20.010.

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

13 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of
14 Law, the Securities Administrator intends to order that Jahshan Gilgeours shall be liable for and shall pay a
15 fine of \$2,500.

16 **NOTICE OF INTENT TO CHARGE COSTS**

17 Pursuant to 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law, the
18 Securities Administrator intends to order that Respondent Jahshan Gilgeours shall be liable for and shall pay
19 the costs, fees, and other expenses incurred in the administrative investigation of this matter in an amount of
20 not less than \$1,000.

21 **AUTHORITY AND PROCEDURE**

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

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7 Signed and Entered this 5th day of June, 2019

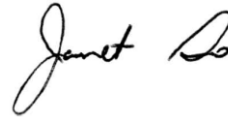
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11 _____
12 William M. Beatty
13 Securities Administrator

14 Approved by:

15 Presented by:

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18 _____
19 Suzanne Sarason
20 Chief of Enforcement

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22 Janet So
23 Financial Legal Examiner

24 Reviewed by:

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Brian Guerard
Financial Legal Examiner Supervisor