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**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:

Christopher Joseph Hoover;  
  
Respondent.

Order No.: S-20-2880-20-SC01

**STATEMENT OF CHARGES AND  
NOTICE OF INTENT TO  
ENTER ORDER TO CEASE AND DESIST,  
TO IMPOSE A FINE,  
AND TO CHARGE COSTS**

THE STATE OF WASHINGTON TO: Christopher Joseph Hoover

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent Christopher Joseph Hoover 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. Christopher Joseph Hoover (“Hoover”) is a resident of Spring City, Pennsylvania. As detailed further below, Hoover posted a Craigslist ad directed toward Snohomish County, soliciting an investment opportunity in a medical system. This advertisement contained numerous false or potentially misleading claims, and Hoover refused to provide further information about the investments when contacted by the Securities Division. Hoover filed for bankruptcy in August 2019, but the bankruptcy was dismissed after the case was selected for an audit by the United States Trustee and Hoover failed to file documents required by the court.

1 **Nature of the Conduct**

2 **Overview**

3 2. On or about March 18, 2020, Hoover posted an advertisement in the Snohomish County  
4 “financial services” section of Craigslist, for an investment in a medical system.<sup>1</sup> Hoover characterized the  
5 investment as a “Silver Lining Bio Tech Opportunity” with an “\$8-\$16K Monthly ROI.” In the posting,  
6 Hoover described a medical system which could purportedly identify a number of medical conditions, such  
7 as “silent heart attack” or “diabetic autonomic neuropathy.” Hoover claimed that “[d]ue to the recent demand  
8 by Medical Facilities nationwide” for this system, “we need investors/partners, and that “Corona Virus has  
9 caused a surge in the demand for our system as we many medical facilities [*sic*] requesting a system in their  
10 practice. You won’t find a better investment opportunity with these returns.” In addition to the “\$8-\$16K  
11 Monthly ROI” in the subject line of the ad, Hoover claimed in the body of the ad that “[m]onthly returns are  
12 \$8K to \$15K+ per month per facility.” Hoover did not disclose the basis for these assumptions, or any risks  
13 associated with the investment, such as the risk that medical facilities’ revenue would be substantially reduced  
14 or that they would shift treatment resources to coronavirus and be unable to use the advertised product.

15 3. In the Craigslist ad, Hoover included a link to a YouTube video which claimed that the system  
16 was offered by “BioTek Medical Partners.” Both the video and Hoover’s Craigslist advertisement claimed  
17 that the system was FDA-approved. DFI’s search of FDA databases did not locate any company under the  
18 name “BioTek Medical Partners,” or any variation thereof. The advertisement also lists a phone number, 800-  
19 733-8440, which is answered by an automated system and does not appear to have a human operator, but  
20 which phone records indicate was established by Hoover in February 2020. The Securities Division’s search  
21 of public records, and of the Internet generally, also has not located any results for companies using that phone  
22

23 <sup>1</sup> Although they are available to the general public, Craigslist postings must be targeted to a specific geographic area, generally one centered around a major city.

1 number. Finally, while there is an established medical science company named BioTek Instruments, Inc., staff  
2 for the company have confirmed that Hoover is not an employee and that they do not have records of anyone  
3 under that name reaching out to the company.

4 4. On March 26, 2020, the Securities Division sent Hoover a subpoena via email for various  
5 documents related to the Craigslist ad. Hoover refused to respond to the subpoena, and has not otherwise  
6 communicated with the Securities Division beyond an initial email. Hoover also did not remove the Craigslist  
7 ad, which was still on the site for at least two weeks after Hoover received the Securities Division's warning.

8 **Registration Status**

9 5. Hoover is not and has never been registered to sell securities in the State of Washington.

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

11 **CONCLUSIONS OF LAW**

12 1. The offer of the medical device investment opportunity described above constituted the offer  
13 and/or sale of a security as defined in RCW 21.20.005(14) and (17).

14 2. Respondent Christopher Joseph Hoover violated RCW 21.20.140, because, as set forth in the  
15 Tentative Findings of Fact, he offered securities for which no registration is on file with the Securities  
16 Administrator.

17 3. Respondent Christopher Joseph Hoover has violated RCW 21.20.010, because, as set forth in  
18 the Tentative Findings of Fact, he made untrue statements of material fact or omitted to state material facts  
19 necessary to make the statements made, in light of the circumstances in which they were made, not misleading.

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

21 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities  
22 Administrator intends to order, pursuant to RCW 21.20.390(1), that Respondent Christopher Joseph Hoover,  
23 shall cease and desist from violations of RCW 21.20.010 and RCW 21.20.140.

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2 **NOTICE OF INTENT TO IMPOSE FINES**

3 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,  
4 the Securities Administrator intends to order that Respondent Christopher Joseph Hoover shall be liable for  
5 and shall pay a fine of \$20,000.

6 **NOTICE OF INTENT TO CHARGE COSTS**

7 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,  
8 the Securities Administrator intends to order that Respondent Christopher Joseph Hoover shall be liable for  
9 and shall pay the costs, fees, and other expenses incurred in the administrative investigation and hearing of  
10 this matter, in an amount not less than \$1,000.

11 **AUTHORITY AND PROCEDURE**

12 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject  
13 to the provisions of Chapter 34.05 RCW. The Respondent, Christopher Joseph Hoover, may make a written  
14 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY  
15 FOR HEARING accompanying this Order. If a Respondent does not make a hearing request in the time  
16 allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions  
17 of Law as final and to enter a permanent order to cease and desist as to that Respondent, to impose any fines  
18 sought against that respondent, and to charge any costs sought against that Respondent.

19 Signed and Entered this 16th day of November, 2020.  
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William M. Beatty  
Securities Administrator

Approved by:



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Suzanne Sarason  
Chief of Enforcement

Presented by:



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Adam N. Yeaton  
Financial Legal Examiner

Reviewed by:



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Jack McClellan  
Financial Legal Examiner Supervisor