

1 registration unit of the Securities Division sent a comment letter to Wesleyan and requested additional
2 information. In response, Wesleyan disclosed that it had been selling investments in state of Washington
3 prior to filing its notice of claim of exemption in July 2017. Between 2017 and 2020, Wesleyan entered into
4 consent orders with several state securities regulators for unregistered offerings that took place in various
5 states.

6 **Nature of the Conduct**

7 3. Between at least 2004 and 2017, Wesleyan offered and sold so-called “deposit investments”
8 to investors in Washington and other states in an unregistered offering. Wesleyan sought to raise up to \$300
9 million through unsecured debt obligations at variable interest rates, which currently range from between 1%
10 to 1.5% per year, depending on the amount invested. The minimum investment amount was \$25. Investors
11 were required to have an association or affiliation with Wesleyan or the Wesleyan Church or one of its
12 associated organizations. The investments had no fixed maturity date and were payable on demand. The
13 proceeds from the offering were used to finance loans to member churches, to purchase land and buildings,
14 and to provide funding for other expenses and purchases by the Wesleyan Church or its related organizations.
15 As of August 2018, Wesleyan had nearly 9,000 investors with an aggregate principal balance of
16 approximately \$851 million. Wesleyan primarily found investors through word of mouth and through its
17 website, which included an investment application. Some advertising materials used by Wesleyan referred
18 to the investments as “savings accounts.”

19 4. Between 2004 and July 7, 2017, Wesleyan sold at least 28 deposit investments in Washington.
20 The initial amount of these investments was approximately \$1.7 million. Some investors made subsequent
21 investments and redemptions after making their initial investment. By 2019, the balance of the investments
22 held by Washington investors was approximately \$4.6 million. Wesleyan did not attempt to register its
23 securities or file any exemption notices in Washington until July 2017.

1 **Registration Status**

2 5. Wesleyan Investment Foundation, Inc. is not currently registered to sell its securities in the
3 state of Washington. In November 2020, Wesleyan Investment Foundation, Inc. filed an application for
4 registration by qualification under RCW 21.20.210 (DFI File No. 70017151). To date, that application has
5 not yet been approved.

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

7 **CONCLUSIONS OF LAW**

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

10 2. Wesleyan Investment Foundation, Inc. violated RCW 21.20.140, the securities registration
11 section of the Securities Act of Washington, by offering and/or selling securities for which no registration is
12 on file with the Securities Administrator.

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

14 **CONSENT ORDER**

15 IT IS AGREED AND ORDERED that Respondent Wesleyan Investment Foundation, Inc., its agents,
16 and employees each shall cease and desist from violating RCW 21.20.140, the securities registration section
17 of the Securities Act of Washington.

18 IT IS FURTHER AGREED AND ORDERED that Wesleyan Investment Foundation, Inc., shall be
19 liable for and shall pay a fine of \$10,000 on or before the entry of this Consent Order.

20 IT IS FURTHER AGREED AND ORDERED that Wesleyan Investment Foundation, Inc., shall be
21 liable for and shall pay investigative costs of \$1,500 on or before entry of this Consent Order.

22 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.
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1 IT IS FURTHER AGREED that Respondent Wesleyan Investment Foundation, Inc. entered into this
2 Consent Order freely and voluntarily and with a full understanding of its terms and significance.

3 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Wesleyan Investment
4 Foundation, Inc. waives its right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440
5 and Chapter 34.05 RCW.

6 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

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8 Signed this 5th day of February 2021.

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10 Signed by:
11 Wesleyan Investment Foundation, Inc.

12 /s/
13 Craig A. Dunn
14 Chief Executive Officer

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SIGNED and ENTERED this 9th day of February, 2021.



William M. Beatty
Securities Administrator

Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Robert Kondrat
Financial Legal Examiner