

1 **STATE OF WASHINGTON**  
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
3 **SECURITIES DIVISION**

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

5 WA State Construction LLC;  
6 Cody Hopkins;

Respondents.

Order No. S-21-3213-21-SC01

STATEMENT OF CHARGES AND NOTICE OF  
INTENT TO ENTER ORDER TO CEASE AND  
DESIST, TO IMPOSE FINES, AND TO CHARGE  
COSTS

7 THE STATE OF WASHINGTON TO:

WA State Construction LLC  
8 Cody Hopkins

9 **STATEMENT OF CHARGES**

10 Please take notice that the Securities Administrator of the state of Washington has reason to believe  
11 that Respondents WA State Construction LLC and Cody Hopkins have each violated the Securities Act of  
12 Washington. The Securities Administrator believes these violations justify the entry of an order against  
13 Respondents WA State Construction LLC and Cody Hopkins to cease and desist from such violations, to  
14 impose fines, and to charge costs pursuant to RCW 21.20.390 and RCW 21.20.395. The Securities  
15 Administrator finds as follows:

16 **TENTATIVE FINDINGS OF FACT**

17 **Respondents**

- 18 1. WA State Construction LLC was a Washington limited liability company that was formed on  
19 March 15, 2008. WA State Construction LLC was administratively dissolved on August 3, 2020.
- 20 2. Cody Hopkins is a resident of Battle Ground, Washington and was the founder of WA State  
21 Construction LLC. In October 2010, Hopkins entered a guilty plea and was convicted of theft in second  
22 degree.

1 **Nature of the Conduct**

2 3. Between 2019 and 2020, Cody Hopkins and WA State Construction LLC raised more than  
3 \$250,000 through the offer and sale of promissory note investments to a retired senior citizen who resides  
4 in Battle Ground, Washington. The senior citizen invested through his self-directed individual retirement  
5 account (IRA). The senior citizen initially made his investment checks out to WA State Construction LLC.  
6 Hopkins later instructed the senior citizen to make his investment checks out to him personally.

7 4. Hopkins told the senior citizen that he would use his investment funds to acquire and remodel  
8 specific properties and resell them at a profit. Hopkins told the senior citizen that he would split the profits  
9 from the resale of the remodeled properties. The senior citizen was a passive investor and was not  
10 responsible for any of the remodeling work on the properties. Hopkins executed promissory notes that had  
11 a term of one year. The promissory notes indicated that the senior citizen would receive interest at the rate  
12 of 15% per annum for any unpaid principal. The promissory notes were issued by WA State Construction  
13 LLC.

14 5. The Respondents did not provide the senior citizen investor with a written offering document  
15 and failed to disclose the risks of the investments. The Respondents did not provide the senior citizen  
16 investor with financial statements for WA State Construction, LLC. Hopkins failed to disclose to the  
17 investor that he had a 2010 criminal conviction for theft in the second degree. Hopkins failed to disclose  
18 to the investor that his construction contractor license had been suspended in 2019.

19 6. Beginning around May 2019, Hopkins sold promissory note investments that involved  
20 renovating two mobile homes in Oregon. Beginning around August 2019, Hopkins sold promissory note  
21 investments involving three properties in Battle Ground, Washington that were owned by his mother. Two  
22 of the properties were vacant lots and one of the properties contained a home that Hopkins said he would  
23 remodel and sell.

1           7.     By approximately December 2019, the mobile homes in Oregon had been remodeled and sold.  
2 Hopkins led the senior citizen to believe that he had earned a return of \$48,000 on his original investment  
3 of \$25,000 and a return of \$45,000 on his original investment of \$19,000. Hopkins convinced the senior  
4 citizen to roll the proceeds into a new promissory note.

5           8.     In approximately February 2020, Hopkins executed a deed of trust and provided a copy to the  
6 senior citizen. The deed of trust indicated that the investor was owed \$313,000 by Hopkins and WA State  
7 Construction LLC. The deed of trust indicated that this amount was secured by the three Battle Ground  
8 properties described above. Hopkins led the senior citizen to believe that he would promptly record the  
9 deed of trust. In truth and in fact, Hopkins never recorded the deed of trust, which left the investor’s  
10 promissory notes unsecured.

11           9.     In August 2020, WA State Construction LLC was administratively dissolved. Hopkins  
12 continued to sell additional investments to the senior citizen, including promissory notes issued by WA  
13 State Construction LLC. Hopkins failed to disclose to the senior citizen that WA State Construction LLC  
14 had been dissolved or the risks associated with the investments.

15           10.    In December 2020, Hopkins sold the one of the Battle Ground properties for approximately  
16 \$420,000 and provided the investor with a cashier’s check for approximately \$303,000. Hopkins led the  
17 investor to believe that he would pay him additional funds from the sale of the other two properties in Battle  
18 Ground. On January 4, 2021, Hopkins sent a text message to the investor that stated: “We will buy you out  
19 of the property ASAP.” A few days later, Hopkins sent another message that stated “We will have all your  
20 money before [the] end of [the] month.” About a month later, Hopkins sold the other two Battle Ground  
21 properties without disclosing the sale to the investor. Hopkins failed to repay the investor, who later filed  
22 a civil action against him.

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1 11. In September 2021, the Securities Division sent a warning letter to Hopkins and WA State  
2 Construction LLC. The letter directed Hopkins and WA State Construction LLC to provide information  
3 and documents to the Securities Division. After receiving the letter, Hopkins failed to provide any  
4 documents or any written response to the Securities Division.

5 **Registration Status**

6 12. WA State Construction LLC is not currently registered to sell securities, including promissory  
7 notes, in the state of Washington and has not previously been so registered, nor has it filed a claim of  
8 exemption from registration.

9 13. Cody Hopkins is not currently registered as a securities salesperson or broker-dealer in the  
10 state of Washington and has not previously been so registered.

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

12 **CONCLUSIONS OF LAW**

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

15 2. WA State Construction LLC and Cody Hopkins violated RCW 21.20.010 by making untrue  
16 statements of material fact or omitting to state material facts necessary to make the statements made, in  
17 light of the circumstances in which they were made, not misleading.

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

19 Pursuant to RCW 21.20.390(1), and based upon the Tentative Findings of Fact and Conclusions of  
20 Law, the Securities Administrator intends to order Respondents WA State Construction LLC and Cody  
21 Hopkins, and their agents and employees, to each permanently cease and desist from violating RCW  
22 21.20.010.

1 **NOTICE OF INTENT TO IMPOSE FINES**

2 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,  
3 the Securities Administrator intends to order that Respondent WA State Construction LLC shall be liable for  
4 and shall pay a fine of \$10,000 and that Respondent Cody Hopkins shall be liable for and shall pay a fine of  
5 \$10,000.

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 Cody Hopkins shall be liable for and shall  
9 pay the costs, fees, and other expenses incurred in the administrative investigation and hearing of this  
10 matter, in an amount not less than \$2,500.

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. Respondents WA State Construction LLC and Cody Hopkins  
14 may each make a written request for a hearing as set forth in the Notice of Opportunity for Hearing  
15 accompanying this Order. If a respondent does not make a hearing request in the time allowed, the Securities  
16 Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and  
17 to enter a permanent order to cease and desist as to that respondent, to impose any fines sought against that  
18 respondent, and to charge any costs sought against that respondent.

1 SIGNED and ENTERED this 21st day of March, 2022.

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6 William M. Beatty  
7 Securities Administrator

8 Approved by:

9 Presented by:

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12 Brian J. Guerard  
13 Chief of Enforcement

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16 Robert Kondrat  
17 Financial Legal Examiner