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

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

Order No. S-22-3409-23-CO01

CONSENT ORDER

Lajiness, Inc.;  
Philip Allen LaJiness;

Respondents.

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**INTRODUCTION**

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On April 10, 2023, the Securities Administrator of the Securities Division of the Department of Financial Institutions (“Securities Division”) issued a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose a Fine, and to Charge Costs (“Statement of Charges”), S-22-3409-23-SC01, against Lajiness, Inc. and Philip Allen LaJiness. Pursuant to the Securities Act of Washington, chapter 21.20 RCW, the Securities Division, Lajiness, Inc., and Philip Allen LaJiness hereby enter into this Consent Order in settlement of the matters alleged in the Statement of Charges. Lajiness, Inc. and Philip Allen LaJiness each neither admit nor deny the Findings of Fact and Conclusions of Law as set forth below.

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**FINDINGS OF FACT**

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**Respondents**

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1. Lajiness, Inc. is a Washington corporation formed on May 9, 2016, with its principal place of business in Spokane, Washington. From at least March 2020 to October 2021, Lajiness, Inc. offered and sold investments in litigation settlement contracts to at least three Washington residents.

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2. Philip Allen LaJiness (“LaJiness”) resides in Deer Park, Washington. LaJiness was the Chief Financial Officer of Lajiness, Inc.

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

1 **Nature of the Conduct**

2 3. From at least March 2020 until October 2021, LaJiness and Lajiness, Inc. offered and sold a  
3 total of at least \$550,000 for at least ten investments in litigation settlement contracts by at least three  
4 Washington investors. These investors had been friends with Lajiness. LaJiness and Lajiness, Inc.  
5 promised returns on the investments of approximately 30% annually, with returns paid quarterly. Lajiness,  
6 Inc. made payments totaling more than \$286,000 to the investors.

7 4. After depositing the investors' funds into the Lajiness, Inc. bank account, where they were  
8 commingled with other Lajiness, Inc. business funds, Lajiness, Inc. forwarded the investors' funds to a  
9 lawyer's trust account in Nevada. The lawyer, Matthew Wade Beasley, was allegedly operating a Ponzi  
10 scheme. According to a complaint that was filed by the U.S. Securities & Exchange Commission in the  
11 U.S. District Court of Nevada on April 12, 2022, from at least 2017 until March 2022, more than 600  
12 investors invested a total of at least \$449 million in a Ponzi scheme that was operated by Nevada attorney  
13 Matthew Wade Beasley, Jeffrey Jason Judd, and others. The investors' funds were used to operate a Ponzi  
14 scheme and to purchase luxury goods for Beasley, Judd, and their relatives. On March 3, 2022, FBI agents  
15 conducted a search warrant at Beasley's home. Beasley barricaded himself in the house and proceeded to  
16 confess to an FBI negotiator that Beasley's investment scheme was actually a Ponzi scheme that had started  
17 during 2016 or 2017.

18 5. On June 3, 2022, the Court appointed a receiver for the matter, and issued a stay of litigation  
19 in order to maximize the assets available to compensate investors. The stay applies to "all civil legal  
20 proceedings of any nature," but explicitly excludes regulatory actions.

21 **Misrepresentations or Omissions**

22 6. When offering and selling the litigation settlement contract investments, LaJiness and  
23 Lajiness, Inc. each failed to provide detailed information about the investments. LaJiness and Lajiness, Inc.

1 failed to give the investors a private placement memorandum or other written offering materials describing  
2 individual investments.

3 7. When offering and selling the investments, LaJiness and Lajiness, Inc. each failed to disclose  
4 material risks of the investments, including information about the source of repayment for the investments,  
5 the intended use of proceeds, the financial condition of Lajiness, Inc., the financial condition of any other  
6 possible obligors, and the failure to perfect a security interest in any underlying settlement contract.

### 7 **Registration Status**

8 8. Lajiness, Inc. is not currently registered to sell its securities in the State of Washington and  
9 has not previously been so registered.

10 9. Philip Allen LaJiness is not currently registered as a securities salesperson or broker-dealer in  
11 the state of Washington and has not previously been so registered.

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

### 13 **CONCLUSIONS OF LAW**

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

16 2. Philip Allen LaJiness and Lajiness, Inc. each violated RCW 21.20.140, the securities  
17 registration section of the Securities Act of Washington, by offering and/or selling securities for which no  
18 registration is on file with the Securities Administrator.

19 3. Philip Allen LaJiness violated RCW 21.20.040, the licensee registration section of the  
20 Securities Act of Washington, by offering and/or selling said securities while not being registered as a  
21 securities salesperson or broker-dealer in the State of Washington.

22 4. Philip Allen LaJiness and Lajiness, Inc. each violated RCW 21.20.010, the anti-fraud section  
23 of the Securities Act of Washington, by making untrue statements of material fact or omitting to state

1 material facts necessary to make the statements made, in light of the circumstances in which they were  
2 made, not misleading.

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

4 **CONSENT ORDER**

5 IT IS AGREED AND ORDERED that Respondents Philip Allen LaJiness and Lajiness, Inc, and their  
6 agents and employees, shall each cease and desist from offering and/or selling securities in any manner in  
7 violation of RCW 21.20.140, the securities registration section of the Securities Act of Washington.

8 IT IS AGREED AND ORDERED that Respondent Philip Allen LaJiness, and his agents and  
9 employees, shall each cease and desist from offering and/or selling securities in any manner in violation of  
10 RCW 21.20.040, the registration section of the Securities Act of Washington.

11 IT IS AGREED AND ORDERED that Respondents Philip Allen LaJiness and Lajinesss, Inc., and  
12 their agents and employees, shall each cease and desist from violating RCW 21.20.010, the anti-fraud  
13 section of the Securities Act of Washington.

14 IT IS FURTHER AGREED that although the Respondents' material misconduct warrants the  
15 imposition of fines and costs, given the potential that the SEC receiver may seek to recover funds from the  
16 Respondents, and in order to promote the repayment of investors, the Securities Division will not impose  
17 any fines or costs for this matter.

18 IT IS AGREED that Respondents Philip Allen LaJiness and Lajiness, Inc. each entered into this  
19 Consent Order freely and voluntarily and with a full understanding of its terms and significance.

20 IT IS AGREED that the Securities Division has jurisdiction to enter this order.

21 IT IS AGREED that in consideration of the foregoing, Respondents Philip Allen LaJiness and  
22 Lajiness, Inc. waive their right to a hearing and to judicial review of this matter pursuant to Chapter 34.05  
23 RCW.

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

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3 Signed this 9th day of June 2023..

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7 Signed by:

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9 s/Philip Allen LaJiness  
Philip Allen LaJiness, Individually and as President of Lajaniss, Inc.

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11 Approved as to form by:

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13 s/Andy Wetzel  
Andy Wetzel, Attorney for Lajiness, Inc. and  
Philip Allen LaJiness

14 WSBA No. 55469

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18 SIGNED and ENTERED this 16th day of June, 2023.



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/s/

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William M. Beatty  
Securities Administrator

Approved by:

/s/

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Brian J. Guerard  
Chief of Enforcement

Presented by:

/s/

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Edward R. Thunen  
Financial Legal Examiner

Reviewed by:

/s/

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Huong Lam  
Financial Legal Examiner Supervisor