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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:

Lajiness, Inc.;
Philip Allen LaJiness;

Respondents

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

Lajiness, Inc.
Philip Allen LaJiness

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents Philip Allen LaJiness and Lajiness, Inc. have each violated the Securities Act of Washington. The Securities Administrator believes these violations justify the entry of an order against Respondents Philip Allen LaJiness and Lajiness, Inc. to cease and desist from such violations, to impose a fine, and to charge costs pursuant to RCW 21.20.390 and RCW 21.20.395. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

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.

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

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 **Misrepresentations or Omissions**

19 5. When offering and selling the litigation settlement contract investments, LaJiness and
20 Lajiness, Inc. each failed to provide detailed information about the investments. LaJiness and Lajiness, Inc.
21 failed to give the investors a private placement memorandum or other written offering materials describing
22 individual investments.

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

2 Pursuant to RCW 21.20.390(1), and based upon the Tentative Findings of Fact and Conclusions of
3 Law, the Securities Administrator intends to order Philip Allen LaJiness, Lajiness, Inc., and their agents
4 and employees, to each permanently cease and desist from violating RCW 21.20.010 and RCW 21.20.140,
5 and Philip Allen Lajiness, and his agents and employees, to each permanently cease and desist from
6 violating RCW 21.20.040.

7 **NOTICE OF INTENT TO IMPOSE FINES**

8 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,
9 the Securities Administrator intends to order that Philip Allen LaJiness shall be liable for and shall pay a fine
10 of \$15,000.

11 **NOTICE OF INTENT TO CHARGE COSTS**

12 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,
13 the Securities Administrator intends to order that Philip Allen LaJiness shall be liable for and shall pay the
14 costs, fees, and other expenses incurred in the administrative investigation and hearing of this matter, in an
15 amount not less than \$5,000.

16 **AUTHORITY AND PROCEDURE**

17 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject
18 to the provisions of Chapter 34.05 RCW. Philip Allen LaJiness and Lajiness, Inc. may each make a written
19 request for a hearing as set forth in the Notice of Opportunity for Hearing accompanying this Order. If a
20 respondent does not make a hearing request in the time allowed, the Securities Administrator intends to
21 adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order
22 to cease and desist as to that respondent, to impose any fines sought against that respondent, and to charge
23 any costs sought against that respondent.

1
2 SIGNED and ENTERED this 10th day of April, 2023



8 /s/

9 _____
William M. Beatty
Securities Administrator

10 Approved by:

Presented by:

11 /s/

/s/

12 _____
13 Brian J. Guerard
Chief of Enforcement

14 _____
15 Janet So
16 Financial Legal Examiner

17 Reviewed by:

18 /s/

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21
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Huong Lam
Financial Legal Examiner Supervisor