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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:

THE OXFORD SAVINGS CLUB, LTD.
GWEN MCCARTER
TRACY PETRIE
and their agents and employees,

Respondents.

SDO - 38 - 99

SUMMARY ORDER TO CEASE AND DESIST

Case No. 99-03-094

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THE STATE OF WASHINGTON TO: The Oxford Savings Club, Ltd.
P.O. Box 7162
NL-1007 JD
Amsterdam, The Netherlands

Gwen McCarter
4870 Estonia Ct. SE
Port Orchard, WA 98367

Tracy Petrie
4870 Estonia Ct. SE
Port Orchard, WA 98367

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STATEMENT OF CHARGES

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Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, The Oxford Savings Club, Ltd., Gwen McCarter, and Tracy Petrie, have violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

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SUMMARY ORDER TO CEASE
AND DESIST

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TENTATIVE FINDINGS OF FACT

I. RESPONDENTS

1. The Oxford Savings Club, Ltd. (“Oxford Savings”) is an entity with business addresses located at P.O. Box 7162, NL-1007 JD, Amsterdam, The Netherlands, and Island House, Newgate Street, St. John, Antigua, West Indies.

2. Gwen McCarter (“McCarter”), a representative and member of Oxford Savings, resides at 4870 Estonia Court S.E., Port Orchard, WA 98367.

3. Tracy Petrie (“Petrie”), a representative and member of Oxford Savings, resides at 4870 Estonia Court S.E., Port Orchard, WA 98367.

II. NATURE OF OFFERING

4. On or about February 1999, McCarter and Petrie, acting as agents of Oxford Savings, solicited potential investors by mailing promotional materials that described Oxford Savings’ loan program to approximately 1,400 randomly chosen individuals that reside in various states.

5. The promotional materials provide that a loan of \$25 to Oxford Savings would earn 10% interest compounding monthly for 10 years. With a loan of \$2,500, an investor would earn 10% interest compounding monthly for 6 years.

6. The promotional materials also provide that “Oxford has a ‘Profit Sharing’ plan. They will pay you 1% of amount loaned to them from your referrals down through 5 levels, every month. . . . This is MLM at its best. Everyone makes money, whether they recruit or not.”

III. OMISSIONS

7. In connection with the offer of the investment described in paragraph II above, McCarter and Petrie failed to disclose the following information: the use of the investment funds; the sales costs and commissions; the

1 identity and address of relevant parties, including Oxford Savings' officers or managers; the business history and
2 financial statements for Oxford Savings; and the risks specific to the offering.

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4 **IV. REGISTRATION STATUS**

5 8. Oxford Savings is not currently registered to sell its securities in the state of Washington and has
6 not previously been so registered.

7 9. McCarter and Petrie are not currently registered as securities salespersons or securities broker-
8 dealers in the state of Washington and have not previously been so registered.

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

10 **CONCLUSIONS OF LAW**

11 **I.**

12 10. The offering of the investment with Oxford Savings described above constitutes the offer of a
13 security as defined in RCW 21.20.005(10) and (12), to wit: an investment contract; or risk capital.

14 **II.**

15 11. The offer of said securities is in violation of RCW 21.20.140 because no registration for such offer
16 is on file with the Securities Administrator, State of Washington and it appears that the respondent does not
17 otherwise qualify for an exemption from registration.

18 **III.**

19 12. McCarter and Petrie have violated RCW 21.20.040 by offering said securities while not registered
20 as a securities salesperson or broker-dealer in the State of Washington.

21 **IV.**

22 13. The offer of said securities was made in violation of RCW 21.20.010 because as set forth in
23 paragraphs II and III of the Tentative Findings of Fact, McCarter and Petrie omitted to state material facts

24
25 SUMMARY ORDER TO CEASE
26 AND DESIST

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

3 **V.**

4 14. The Securities Administrator finds that an emergency exists and that the continued violations of
5 RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140 constitutes a threat to the investing public. Accordingly, a
6 summary order to cease and desist from those violations is in the public interest and necessary for the protection of
7 the investing public.

8 **SUMMARY**

9 15. Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that
10 Gwen McCarter, Tracy Petrie, Oxford Savings Club, Ltd., and their agents and employees, shall each cease and
11 desist from offering securities in any manner in violation of RCW 21.20.140, the section of the Securities Act of
12 Washington requiring registration.

13 16. It is further SUMMARILY ORDERED that Gwen McCarter, Tracy Petrie, Oxford Savings Club,
14 Ltd., and their agents and employees, shall each cease and desist from violating RCW 21.20.010, the anti-fraud
15 section of the Securities Act.

16 17. It is further SUMMARILY ORDERED that Gwen McCarter, Tracy Petrie, and their agents and
17 employees, shall each cease and desist from offering any security in any manner in violation of RCW 21.20.040,
18 the section of the Securities Act requiring registration of securities salespersons and broker-dealers.

19 **AUTHORITY AND PROCEDURE**

20 18. This Order is entered pursuant to the provisions of RCW 21.20.390, and is subject to the
21 provisions of Chapter 34.05 RCW. The Respondents, Gwen McCarter, Tracy Petrie, and Oxford Savings Club,
22 Ltd. may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND
23 AND OPPORTUNITY FOR HEARING accompanying this order.

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25 SUMMARY ORDER TO CEASE
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1 19. If a respondent does not request a hearing, the Securities Administrator intends to adopt the above
2 Tentative Findings of Fact and Conclusions of Law as final and make the summary order to cease and desist
3 permanent as to that respondent.

4 **CONTINUING INVESTIGATION**

5 20. The Securities Division is continuing to investigate the matters described herein to identify investors
6 and to determine the use of the investors' funds, if any.

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

8 DATED this ____ day of June, 1999.

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11 _____
12 DEBORAH R. BORTNER
13 Securities Administrator

14 Approved by:

14 Presented by:

15 _____
16 Michael E. Stevenson
17 Chief of Compliance

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16 Paul S. Ocampo
17 Staff Attorney

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25 SUMMARY ORDER TO CEASE
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