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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 the State
of Washington by:

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INLAND NORTHWEST CAPITAL
CONSULTANTS; DELTECH CAPITAL, LLC;
VANCE MCFARLAND; their employees and agents

Respondents.

SDO -040- 01

SUMMARY ORDER TO CEASE AND DESIST

Case No. 00-09-347

THE STATE OF WASHINGTON TO: Inland Northwest Capital Consultants
Deltech Capital, LLC
Vance McFarland

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Inland Northwest Capital Consultants (Inland), Deltech Capital, LLC (Deltech), and Vance McFarland (McFarland) have each 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 against each of them 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:

TENTATIVE FINDINGS OF FACT

I. Respondents

1. Inland Northwest Capital Consultants, an unincorporated business entity, had a principal business address of 315 W 9th, Suite 230, Spokane, Washington.

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1 2. Deltech Capital, LLC, a Nevada corporation, had a principal business address of 315 W 9th, Suite 230,
2 Spokane, Washington.

3 3. Vance McFarland is a principal in both Inland and Deltech.

4 II. Offering

5 4. In early 1998 a Washington resident contacted McFarland regarding financing for the Washington
6 residents company. McFarland, acting as Inland Northwest Capital Consultants, claimed to be in the business of
7 arranging financing for businesses. Although the Washington resident did not receive financing for his company,
8 McFarland told him about an investment opportunity in “Chinese Reconstruction Bonds”. As a result, this person and at
9 least four other Washington residents loaned funds to Deltech Capital for the purchase of the bonds. The contract
10 between the investors and Deltech states that Deltech would use the funds to purchase “Gold-Backed” “Chinese
11 Reconstruction Bonds”. The contract also states that Deltech would “trade” the bonds within six months and would
12 receive payment for the trading of the bonds within ten months. After Deltech received payment, the investors were to
13 receive ten times their initial investment.

14 5. The offering material presented by McFarland states that the bonds were “designated by the
15 International Monetary Fund” and that the proceeds of the sale of these bonds were to fund humanitarian and
16 environmental projects. McFarland failed to disclose to the investors that the International Monetary Fund does not have
17 any affiliation with bond programs of this nature.

18 6. The offering material also states that the bonds have been authenticated by “Fidelity Secured Deposit
19 Corporation”. McFarland failed to disclose to the investors that the Securities and Exchange Commission was granted an
20 injunction against Fidelity Secured Deposit Corporation for misrepresenting material facts in the valuation and
21 authentication of railroad bonds for investment purposes.

22 7. McFarland failed to provide documentation to substantiate the high rate of return expected for the
23 promissory notes. Additionally, McFarland failed to provide the investors with a disclosure document containing
24 complete material information regarding the investment opportunity, including risk factors disclosure, the business

25 SUMMARY ORDER TO CEASE AND
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1 history and experience of the McFarland, and financial statements of Deltech. Additionally, McFarland failed to disclose
2 to the investors that he had been convicted of Securities Fraud and the Sale of Unregistered Securities in 1985.

3 8. Following the signing of the contract mentioned above, McFarland sent a letter to the investors, on
4 Inland Northwest Capital Consultants letterhead, stating that the funds to purchase the high yield Chinese bonds were
5 “secured by Marietta/North Georgia railroad bonds”. These railroad bonds only have value as historical collectors items,
6 they do not possess substantial investment value. The injunction granted to the Securities and Exchange Commission
7 against Fidelity Secured Deposit Corporation for misrepresenting bond value and authenticity was in regards to railroad
8 bonds.

9 III. Registration Status

10 9. Neither Inland Northwest Capital Consultants nor Deltech Capital, LLC is currently registered to sell its
11 securities in the state of Washington and neither has previously been so registered.

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

14 **CONCLUSIONS OF LAW**

15 I. Securities

16 11. The offer and/or sale of the investment opportunities described above constitutes the offer and/or sale of
17 a security as defined in RCW 21.20.005 (10) and (12).

18 II. Anti-Fraud Provision

19 12. The offer and/or sale of said securities was made in violation of RCW 21.20.010 because, as set forth in
20 section II of the Tentative Findings of Fact, Respondents omitted to state material facts necessary in order to make the
21 statements made, in the light of the circumstances under which they were made, not misleading.

22 III. Registration of Securities

23 13. The offer and/or sale of said securities is in violation of RCW 21.20.140, the registration section of the
24 Securities Act, because no registration for such offer and/or sale is on file with the Securities Administrator of the state of
25 Washington.

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1 IV. Registration of Broker-Dealer and Salespersons

2 14. Respondent Vance McFarland has violated RCW 21.20.040 by offering and/or selling said securities
3 while not being registered as a broker-dealer or securities salesperson in the state of Washington

4 **EMERGENCY**

5 The Securities Administration finds that an emergency exists and that the continued violations of RCW
6 21.20.010, RCW 21.20.140, and RCW 21.20.040, constitute a threat to the investing public. The Respondent has
7 previously been convicted of Securities Fraud and the Sale of Unregistered Securities pursuant to RCW 21.20.010 and
8 RCW 21.20.140. Accordingly, a Summary Order to Cease and Desist from those violations is in the public interest and
9 necessary for the protection of the investing public.

10 **SUMMARY ORDER**

11 Based upon the foregoing, IT IS THEREFORE HEREBY SUMMARILY ORDERED that Respondents, Inland
12 Northwest Capital Consultants, Deltech Capital, LLC, Vance McFarland their agents, and employees shall each cease
13 and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act.

14 It is further SUMMARILY ORDERED that Respondents, Inland Northwest Capital Consultants, Deltech
15 Capital, LLC., their agents, and employees shall each cease and desist from violating RCW 21.20.140, the securities
16 registration section of the Securities Act.

17 It is further SUMMARILY ORDERED that Respondent, Vance McFarland, their agents, and employees shall
18 each cease and desist from violating RCW 21.20.040, the securities broker-dealer, securities salesperson registration
19 section of the Securities Act.

20 **AUTHORITY AND PROCEDURE**

21 This Order is entered pursuant to the provisions of RCW 21.20.390, and is subject to the provisions of Chapter
22 34.05 RCW. The Respondents, Inland Northwest Capital Consultants, Deltech Capital, LLC, and Vance McFarland,
23 may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
24 OPPORTUNITY FOR HEARING accompanying this Order. A request for a hearing should be in writing and sent to

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1 Deborah R. Bortner, Securities Administrator, Department of Financial Institutions, P.O. Box 9033, Olympia,
2 Washington 98507-9033 to the attention of Tyler Letey.

3 If a respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative
4 Findings of Fact and Conclusions of Law as final and make the Summary Order to Cease and Desist permanent as to the
5 Respondent.

6 **CONTINUING INVESTIGATION**

7 The Securities Division is continuing to investigate the practices of the Respondent McFarland to determine the
8 full extent of the violations of the Securities Act that have occurred in this matter.

9 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

10 DATED this 30th day of May, 2001

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15 DEBORAH R. BORTNER
16 Securities Administrator

17 Approved by:

Presented by:

18 _____
19 Michael E. Stevenson
20 Chief of Enforcement

21 _____
22 Tyler Letey
23 Staff Attorney

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