



1 **FINDINGS OF FACT**

2 **Respondents**

3 1. MB NW Holdings, Inc. (“MB NW”) was a Washington corporation formed on August 4, 2020.  
4 MB NW was administratively dissolved on January 5, 2022 for failure to file its annual report. MB NW was  
5 formed to succeed Burnbutter Inc.

6 2. Speak Studios, Inc. (“Speak Studios”) was a Washington corporation formed on August 10,  
7 2020. Speak Studios was administratively dissolved on September 13, 2023 for failure to maintain a registered  
8 agent. Speak Studios was formed to create studios at which podcasts would be recorded and produced.

9 3. Brandon Foote (“Foote”) is a resident of Meridian, Idaho. During the period relevant to this  
10 Statement of Charges, Foote was a resident of Spokane County, Washington. Foote was the chief executive  
11 officer of Burnbutter Inc., MB NW, and Speak Studios during the period relevant to this Statement of Charges.

12 *Related Entity*

13 4. Burnbutter Inc. (“Burnbutter”) was a Washington corporation formed on January 5, 2018.  
14 Burnbutter was administratively dissolved on June 3, 2019 for failure to file its annual report with the  
15 Washington Secretary of State’s office. Burnbutter was formed to manufacture and sell a food product called  
16 Burn Butter.

17 *Brandon Foote’s Criminal History and Bankruptcy*

18 5. On September 18, 2020, the Prosecuting Attorney for Spokane County filed a five count  
19 information against Foote. The information accused Foote of one count of first degree theft, one count of  
20 second degree theft, two counts of first degree identity theft, and one count of second degree identity theft.  
21 On November 3, 2021, Foote plead guilty to all five counts, and was ordered to pay a \$500 victim assessment.

22 6. On June 27, 2008, Foote filed for chapter 7 bankruptcy in United States Bankruptcy Court for  
23 the Eastern District of Washington. On October 14, 2008, Foote received a standard discharge.

1 **Nature of the Conduct**

2 *Overview*

3 7. Over the course of 2020 and 2021, Foote sold at least \$50,000 in MB NW stock to at least one  
4 investor, and at least \$300,000 Speak Studios stock to at least two investors. Foote also sold more than  
5 \$900,000 worth of promissory notes issued by MB NW to an investor. These investors have lost all of their  
6 investment funds. Further, Foote made subsequent offers of Speak Studios stock, stock options, and  
7 convertible debt to these investors and to others.

8 *Offer and Sale of Securities of MB NW Holdings, Inc.*

9 8. In 2018, Foote incorporated Burnbutter with a partner to manufacture and sell Burn Butter.  
10 During the summer of 2020, Foote met a Spokane resident (the “Investor”) as Foote was trying to rent  
11 commercial space near the Investor’s. The two became friendly, and eventually learned that they both held  
12 Burn Butter in high esteem. The Investor believed that Burn Butter cured his diabetes. Burn Butter is a food  
13 product that, its proponents claim, assists the consumer in maintaining ketosis<sup>1</sup>. At that time, Burn Butter was  
14 available in more than three thousand stores.

15 9. Shortly after Foote met the Investor, Foote’s partner announced that he no longer wished to  
16 work with Foote, and that he wished to be bought out. After buying out that partner’s interest, Foote offered  
17 to bring the Investor into the Burn Butter business. In August 2020, Foote incorporated MB NW Holdings,  
18 Inc. to replace the administratively dissolved Burnbutter, and to pursue the manufacture and sale of Burn  
19 Butter with the Investor. Foote offered one half of MB NW’s stock, which the Investor purchased for \$50,000  
20 on or around August 20, 2020.

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<sup>1</sup> Ketosis is a metabolic state in which the body burns fat for energy rather than glucose.

1           10.     Within one month of investing, the Investor began supporting MB NW with his personal funds  
2 at Foote's request. Between September 2020 and January 2021, the Investor reinvested in MB NW on at least  
3 eighteen occasions to address MB NW's short-term needs for capital. These investments totaled more than  
4 \$900,000. Some of these investments were evidenced by unsecured promissory notes. Eight notes matured  
5 in ninety days or fewer. Four notes matured at points ranging from 95 to 114 days. The notes provided for  
6 interest between five and ten percent. Foote told the Investor that his first reinvestments were needed to fill  
7 orders for Burn Butter received from Safeway and Albertson's. The need to fill customer orders was often  
8 cited as the reason why MB NW needed more money from the Investor.

9           11.     Despite the Investor's having purchased one half of MB NW's stock, Foote's conduct restricted  
10 him to a passive role, as Foote denied the Investor access to MB NW's corporate and bank records. Foote  
11 also instructed MB NW's lone employee not to interact with the Investor. The Investor eventually became  
12 skeptical about the business, and began to ask for proof that MB NW had received orders for Burn Butter.  
13 Foote directed MB NW's employee to repackage other companies' products to appear as MB NW products to  
14 allay the Investor's concerns. Foote emphasized that the funds he was soliciting were needed to help grow  
15 the business and that, as the holder of one half of the business's stock, the Investor would benefit as well.

16           12.     Foote withdrew a significant amount of the Investor's funds as cash. Between August 7, 2020  
17 and December 29, 2020, Foote withdrew \$316,912 of the Investor's \$922,702.22 investment in cash. Foote  
18 also transferred \$47,500 of the Investor's funds to an account in the name of Speak Studios, and made other  
19 withdrawals totaling \$52,000 for the benefit of Speak Studios during that period.

20           13.     *Offer and Sale of Securities of Speak Studios, Inc.*

21           14.     In or around August 2020, Foote opened a studio where podcasts would be recorded and  
22 produced in Spokane called Speak Studios. Foote's conception of Speak Studios would morph with time.  
23 Initially, Foote wanted to open a first studio in Spokane and increase the number of studios using a business

1 model that was similar to franchising. Speak Studios' focus also changed to the development of software that  
2 would be used in the podcast studio setting.

3 15. Speak Studios struggled financially from its inception. Foote originally sought to finance  
4 Speak Studios through selling advertising, thinking that Spokane-area advertisers would want to support a  
5 young, local business. Shortly after Speak Studios began operations, Foote asked certain employees if they  
6 knew anyone who might want to invest in Speak Studios.

7 16. As Speak Studios' financial condition began to deteriorate more quickly in early 2021, Foote  
8 transitioned to securing funds from outside investors as a primary means to keep Speak Studios a going  
9 concern. Foote told Speak Studios' employees that Speak Studios must find investors, and that they needed  
10 to bring in investors to save their jobs. At or around this time, Foote began asking for gifts and loans from  
11 Speak Studios' employees. Despite Speak Studios' worsening state, Foote made personal draws on Speak  
12 Studios' account during this period. Between January 4, 2021 and June 30, 2021, Foote withdrew at least  
13 \$112,349 from Speak Studios' accounts in cash. Cash withdrawals represented the largest expense for Speak  
14 Studios over this period.

15 17. Foote held several meetings with small groups of potential investors in early 2021 at which he  
16 offered Speak Studios stock. Foote cold-called persons whom Foote believed would be able to invest in Speak  
17 Studios, and invited them to these meetings. At these meetings, Foote distributed materials that he had  
18 directed two Speak Studios employees to create that contained profit projections. The projections were based  
19 on how many podcasts Speak Studios could produce, how much advertising it could sell, and were based on  
20 Speak's location in Spokane and a contemplated satellite location in Coeur d'Alene, Idaho. The materials  
21 also stated that Speak generated no less than \$10,000 in recurring monthly income as it was experiencing the  
22 financial struggles described above. Foote assembled the final version of the materials. Foote failed to  
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1 disclose, at these meetings or in the materials he distributed, the criminal information that had been filed in  
2 September 2020 against him and his 2008 bankruptcy.

3 18. As further detailed below, Foote would ultimately sell at least \$300,000 worth of Speak Studios  
4 stock to two investors. Foote and Speak Studios offered convertible debt and options on Speak Studios stock  
5 to one of the investors as well.

6 *Foote's Pursuit of Professional Athletes*

7 Athlete #1

8 19. Foote pursued retired and active professional athletes as potential investors in Speak Studios.  
9 In or around November 2020, Foote contacted Athlete #1, a Washington resident, through Instagram, and  
10 stated that he wanted to create a podcast with Athlete #1. Foote invited Athlete #1 to a meeting at Speak  
11 Studio's office to discuss Foote's ideas in more detail, the specifics of making a podcast hosted by Athlete #1,  
12 and investing in Speak Studios. Foote discussed how much Speak Studios could earn producing and  
13 distributing the contemplated podcast. Foote did not provide a basis for these projections. Foote also provided  
14 a document that projected Speak's cash flows for three years to Athlete #1. The document presented four  
15 scenarios. In three of the four scenarios, Foote projected that Speak Studios would have positive net cash  
16 flows within six months. While the projections identified sources of revenue and expenses, the projections  
17 did not disclose the basis for the specific amounts given. As the meeting wound down, Foote solicited a  
18 \$250,000 investment after telling Athlete #1 that Speak Studios needed his investment to be able to achieve  
19 the profitability that Foote discussed, and to be able to produce the podcast with Foote. Motivated by the  
20 profit projections, Athlete #1 invested \$50,000 in Speak Studio stock on or around March 30, 2021.

21 20. Foote later unsuccessfully solicited Athlete #1 for investment in additional Speak Studios  
22 stock. Foote provided an "Investor Booklet" (the "Booklet") as part of this subsequent offer of stock to Athlete  
23 #1. Foote also included an offer of convertible promissory notes in the Booklet. These notes were part of a

1 \$1.5 million offering, provided for six percent interest, and were to mature in March 2023. In the Booklet,  
2 Speak Studios stated that the primary use of investor funds would be to develop a “Speak Studio Application”  
3 for the “personal and home analytics industry.” The Booklet also stated that Speak Studios would derive nearly  
4 all of its revenue from sales of these software applications. Despite this, Foote did not discuss the software  
5 applications with Athlete #1 prior to Athlete #1’s investment.

6 21. The Booklet identified a high degree of dependence on Foote’s management skills and his  
7 status as majority shareholder as risks. However, the Booklet did not discuss any relevant management  
8 experience that Foote might have had.

9 22. Foote also offered options to Athlete #1 by enrolling him in Speak Studios’ “Equity Incentive  
10 Plan,” which entitled Athlete #1 to purchase 20,000 shares of Speak Studios stock for \$.001 per share. Athlete  
11 #1 did not purchase stock at the option price.

12 23. At no point during the solicitation of Athlete #1 described above, did Foote disclose his then-  
13 ongoing criminal case or his bankruptcy. The Booklet also failed to make these disclosures.

14 Athlete #2

15 24. In May 2021, Athlete #2, a citizen and resident of Australia, purchased \$250,000 of Speak  
16 Studios stock through his Australian limited corporation. Foote stated to Athlete #2 that Speak Studios was  
17 to launch turnkey podcast studios throughout the United States. At or around the time that Athlete #2  
18 purchased stock, he entered into an “Advisor Agreement” with Speak Studios. Under this agreement, Athlete  
19 #2 agreed to dedicate a certain number of hours each month to work on behalf of Speak Studios, and to consult  
20 with Speak Studios’ management. The agreement also obligated Athlete #2 to facilitate networking and  
21 introductions of “strategic investors” on behalf of Speak Studios.

22 25. Prior to making his investment in Speak Studios, Athlete #2 received a copy of the “Investor  
23 Booklet” (the “Second Booklet”), nearly identical to that received by Athlete #1. The Second Booklet stated

1 that Foote would exercise broad control over the use of the offering's proceeds and that Speak Studios'  
2 founders would control the day-to-day management of the company, notwithstanding the commitment that  
3 Athlete #2 made to work on behalf of Speak Studios discussed above. The Second Booklet also stated that  
4 the company intended to use the offering's proceeds to "build the Company." However, at least \$75,000 of  
5 Athlete #2's investment funds were used to repay an individual who had lent money to Speak Studios.

6 26. In February 2022, Foote contacted Athlete #2 and solicited another investment in Speak  
7 Studios stock, stating in an email, "[Speak Studios is] out of cash" and is in need of financing or it will need  
8 to consider "selling assets and merge." Foote stated that Speak Studios needed to hire and scale development.  
9 Foote further stated that he had contacted "finance companies," but that they would not be able to help to the  
10 extent that Speak Studios needed for at least two months.

11 27. Foote again asked Athlete #2 to make another investment that would allow Speak Studios to  
12 survive those two months. Foote also asked Athlete #2 if he was aware of anyone who could make the kind  
13 of investment that Foote was soliciting from him. Foote repeated this request to Athlete #2 weeks later, but  
14 Athlete #2 refused to make a second investment.

#### 15 *Registration Status*

16 28. MB NW Holdings, Inc. is not currently registered to offer or sell its securities in the State of  
17 Washington, and has not previously been so registered.

18 29. Speak Studios, Inc. is not currently registered to offer or sell its securities in the State of  
19 Washington, and has not previously been so registered. On May 4, 2021, Speak Studios, Inc. filed a Form D  
20 Notice of Exempt Offering of Securities with the Securities and Exchange Commission for an offering of  
21 equity, debt, and options, pursuant to Rule 506(b) of Regulation D. Speak Studios, Inc. did not notice file the  
22 Form D with the Securities Division.  
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1 Brandon Foote each made untrue statements of material fact or omitted to state material facts necessary to  
2 make the statements made, in light of the circumstances in which they were made, not misleading.

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

4 **FINAL ORDER**

5 IT IS HEREBY ORDERED that Respondents MB NW Holdings, Inc., Speak Studios, 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 FURTHER ORDERED that Respondent Brandon Foote, and his agents and employees, shall  
9 each cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.040,  
10 the registration section of the Securities Act of Washington.

11 IT IS FURTHER ORDERED that Respondents MB NW Holdings, Inc., Speak Studios, Inc., Brandon  
12 Foote, and their agents and employees, shall each cease and desist from violating RCW 21.20.010, the anti-  
13 fraud section of the Securities Act of Washington.

14 IT IS FURTHER ORDERED that Respondent MB NW Holdings, Inc. shall be liable for and pay a  
15 fine in the amount of \$15,000.

16 IT IS FURTHER ORDERED that Respondent Speak Studios, Inc. shall be liable for and pay a fine in  
17 the amount of \$15,000.

18 IT IS FURTHER ORDERED that Respondent Brandon Foote shall be liable for and pay a fine in the  
19 amount of \$15,000.

20 IT IS FURTHER ORDERED that Respondents MB NW Holdings, Inc., Speak Studios, Inc., and  
21 Brandon Foote shall be jointly and severally liable for and pay costs in the amount of \$10,000.

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1 **AUTHORITY AND PROCEDURE**

2 This FINAL ORDER is entered pursuant to RCW 21.20.390 and is subject to Chapter 34.05 RCW.  
3 Respondents have the right to petition the superior court for judicial review of this agency action under Part  
4 V of Chapter 34.05 RCW. Pursuant to RCW 21.20.395(4), a certified copy of this Final Order may be filed in  
5 superior court. If so filed, the clerk shall treat the Final Order in the same manner as a superior court judgment  
6 as to the fine, and the fine may be recorded, enforced, or satisfied in like manner.

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

9 SIGNED and ENTERED this 15th day of November, 2024.



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15 A handwritten signature in black ink, reading "William M. Beatty".

16  
17 William M. Beatty  
Securities Administrator

18 Approved by:

Presented by:


19  
20 A handwritten signature in black ink, reading "Brian J. Guerard".

21 Brian J. Guerard  
Chief of Enforcement

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23 A handwritten signature in blue ink, reading "Edward R. Thunen".

Edward R. Thunen  
Financial Legal Examiner

Reviewed by:

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Huong Lam  
Financial Legal Examiner Supervisor