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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:

Order No. S-23-3552-24-CO01

CONSENT ORDER

Educator of Truth, and His or Her Successors, a  
corporation sole, d/b/a Educational  
Empowerment Corporation;  
Mark Laurence Donald Emerson,  
  
Respondents.

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**INTRODUCTION**

On January 5, 2024, 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, Impose Fines, and Charge Costs (Statement of Charges), Order Number S-23-3552-23-  
SC01, against Respondents Educator of Truth, and His or Her Successors, a corporation sole, d/b/a  
Educational Empowerment Corporation; and Mark Laurence Donald Emerson. Pursuant to the Securities Act  
of Washington, RCW 21.20, the Securities Division and Respondents Educator of Truth, and His or Her  
Successors, a corporation sole, d/b/a Educational Empowerment Corporation; and Mark Laurence Donald  
Emerson hereby enter into this Consent Order in settlement of the matters alleged in the Statement of Charges.  
Respondents Educator of Truth, and His or Her Successors, a corporation sole, d/b/a Educational  
Empowerment Corporation; and Mark Laurence Donald Emerson neither admit nor deny the Findings of Fact  
and Conclusions of Law as set forth below.

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**FINDINGS OF FACT**

**Respondents**

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 41200  
Olympia, WA 98504-1200  
360-902-8760



1 “normal for startups” and compared them to venture capital investments, but failed to explain how EEC’s  
2 offering was reasonably comparable to such investments.

3 6. Emerson and EEC based these projections on unrealistic assumptions without adequately  
4 explaining the basis for them. In particular, EEC claims that there is an “English-speaking homeschool market  
5 for AlgebraVictory of \$505,000,000 (1,775,000 students)” and that it believes that “the non-English market  
6 is huge,” but that EEC “ha[s] not yet attempted to quantify any of this expanded market potential (other than  
7 making rough guesses for 2026 and 2027 revenues in our financial projection, without the higher pricing).”  
8 Despite the lack of attempt to quantify the non-English-speaking market, EEC’s 2027 financial projections  
9 assume 3,657,588 enrollments in AlgebraVictory—over double the size of its estimated English-speaking  
10 market. EEC and Emerson provided no basis whatsoever for the 3.6 million projected enrollments.

#### 11 **Registration Status**

12 7. EEC is not and has never been registered to sell its securities in the State of Washington, nor  
13 has it filed a claim of exemption from registration.

14 8. Emerson is not and has never been registered as a securities salesperson or broker-dealer in the  
15 State of Washington.

#### 16 **Exemption Claims**

17 9. Emerson and EEC attempted to tailor this offering to various states’ exemptions from securities  
18 registration, including Washington, although they ultimately did not sell any securities to Washington  
19 residents. In the prospectuses for EEC investments, Emerson claimed that EEC’s securities were exempt from  
20 registration in Washington under WAC 460-44A-300, also known as the model accredited investor  
21 exemption. However, Emerson and EEC failed to adequately comply with the terms of the exemption in  
22 multiple ways. First, the exemption requires that an announcement of the proposed offering contain only  
23 limited information, such as the issuer’s contact information, a brief description of the security being offered

1 and a maximum 25-word description of the business of the issuer, and a statement that sales will be made  
2 only to accredited investors. EEC's prospectus contained substantially more information than the model  
3 accredited investor exemption allows, including financial projections, an extensive discussion of EEC's target  
4 market, and several dozen pages discussing the exemptions from securities registration on which EEC and  
5 Emerson are relying in the offer. Although the model accredited investor exemption does allow an issuer to  
6 provide further information to persons it reasonably believes are accredited investors, Emerson and EEC had  
7 no mechanism for establishing such a reasonable belief. While EEC's website contained a click-through page  
8 where the viewer purportedly confirmed that they were accredited before viewing the prospectus, EEC and  
9 Emerson took no steps to verify this claim, and did not even ask the viewer of the website to state how they  
10 qualified as an accredited investor. Because EEC and Emerson made a public offering which contained  
11 substantially more information than allowed by the rule, the model accredited investor exemption is not  
12 available to them.

13           10. In Algebra Victory's prospectus, EEC and Emerson also claim to be exempt from registration  
14 in numerous other states under an exemption for securities issued by nonprofit organizations (in Washington,  
15 RCW 21.20.310(11) sets forth the nonprofit exemption). This exemption is unavailable to EEC and Emerson  
16 for several reasons. First, the person claiming the exemption must first file a notice of the offering with DFI's  
17 Securities Division; Emerson and EEC did not do so. Second, securities offered by a nonprofit organization  
18 must be "offered or sold only to persons who, prior to their solicitation for the purchase of said securities,  
19 were members of, contributors to, or listed as participants in, the organization." As set forth above, EEC's  
20 prospectus was generally available to both EEC members and non-members on Algebra Victory's website,  
21 meaning that it was offered to non-members of EEC. Finally, even if the nonprofit exemption were available,  
22 the exemptions set forth in RCW 21.20.310 only provide a method for the securities themselves to be exempt  
23 from registration, not the persons selling the securities. As noted above, Emerson is not and has never been

1 registered with the Securities Division as a broker-dealer or securities salesperson, meaning that he would not  
2 be appropriately licensed to sell Algebra Victory securities even if EEC qualified for the nonprofit exemption.

3 **Other State Actions**

4 11. On March 14, 2023, the Vermont Department of Financial Regulation issued an Ex Parte Order  
5 to Cease and Desist against EEC and Emerson, charging them with violations of the registration provisions  
6 of Vermont securities law. The parties settled this action via consent order on May 5, 2023. In the order,  
7 Emerson and EEC agreed not to offer securities to Vermont residents without prior approval from the Vermont  
8 Department of Financial Regulation.

9 12. On June 8, 2023, the Maine Department of Professional and Financial Regulation’s Office of  
10 Securities issued a Summary Order to Cease and Desist and Denying Exemptions against EEC and Emerson,  
11 charging them with violations of the registration provisions of Maine securities law. The parties settled this  
12 action via consent order on August 29, 2023. In the order, Emerson and EEC agreed that before any future  
13 offerings to Maine residents, they would “either properly register the securities in Maine or obtain  
14 confirmation from the Administrator that the offering meets the requirements for any claimed exemption.”

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

16 **CONCLUSIONS OF LAW**

17 1. The offer of the EEC “charms,” as described above, constitutes the offer of a security as defined  
18 in RCW 21.20.005(14) and (17).

19 2. Respondent Educator of Truth, and His or Her Successors, a corporation sole, d/b/a  
20 Educational Empowerment Corporation violated RCW 21.20.140, the securities registration section of the  
21 Securities Act of Washington, by offering securities for which no registration is on file with the Securities  
22 Administrator.

1 3. Respondent Mark Laurence Donald Emerson violated RCW 21.20.040, the licensee  
2 registration section of the Securities Act of Washington, by offering said securities while not being registered  
3 as a securities salesperson or broker-dealer in the state of Washington.

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

5 **CONSENT ORDER**

6 IT IS AGREED AND ORDERED that Respondent Educator of Truth, and His or Her Successors, a  
7 corporation sole, d/b/a Educational Empowerment Corporation, and their agents and employees, shall each  
8 cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.140, the  
9 securities registration section of the Securities Act of Washington.

10 IT IS AGREED AND ORDERED that Respondent Mark Laurence Donald Emerson, and their agents  
11 and employees, shall each cease and desist from offering and/or selling securities in any manner in violation  
12 of RCW 21.20.040, the registration section of the Securities Act of Washington.

13 IT IS AGREED that Respondents Educator of Truth, and His or Her Successors, a corporation sole,  
14 d/b/a Educational Empowerment Corporation; and Mark Laurence Donald Emerson enter into this Consent  
15 Order freely and voluntarily and with a full understanding of its terms and significance.

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

17 IT IS AGREED that in consideration of the foregoing, Respondents Educator of Truth, and His or Her  
18 Successors, a corporation sole, d/b/a Educational Empowerment Corporation, and Mark Laurence Donald  
19 Emerson, waive their right to a hearing and to judicial review of this matter pursuant to Chapter 34.05 RCW.

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

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Signed this 6th day of February, 2024.

Signed by:

Educator of Truth, and His or Her Successors, a corporation sole, d/b/a Educational Empowerment Corporation

/s/

Mark Laurence Donald Emerson  
Chief Executive Officer

Signed by:

/s/

Mark Laurence Donald Emerson, Individually

SIGNED and ENTERED this 20th day of February, 2024.



/s/

William M. Beatty  
Securities Administrator

Approved by:

Presented by:

/s/

Brian J. Guerard  
Chief of Enforcement

/s/

Adam N. Yeaton  
Financial Legal Examiner

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Reviewed by:

      /s/        
Holly Mack-Kretzler  
Financial Legal Examiner Supervisor