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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:

WORLD FINANCIAL NEWS NETWORK  
CORPORATION; JOSEPH LOUIS de  
BEAUCHAMP; and ANTHONY E. LUCERO, JR.  
Respondents

S-02-340-03-TO01

**STATEMENT OF CHARGES, SUMMARY  
ORDER TO CEASE AND DESIST, SUMMARY  
ORDER REVOKING EXEMPTIONS AND  
NOTICE OF INTENT TO IMPOSE FINES**

Case No. S-02-340

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THE STATE OF WASHINGTON TO:     Joseph Louis de Beauchamp  
   Anthony E. Lucero, Jr.  
   World Financial News Network Corporation

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**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents, World Financial News Network Corporation, Joseph Louis de Beauchamp, and Anthony E. Lucero, Jr., 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 to cease and desist from such violations, to revoke exemptions under RCW 21.20.325 and to impose fines pursuant to RCW 21.20.395. 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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**TENTATIVE FINDINGS OF FACT**

**I. RESPONDENTS**

1. World Financial News Network Corporation (“WFNN”) is a Nevada corporation that was organized on March 1, 1996 under the name Horizon Capital Corporation and changed its name to World Financial News Network Corporation on February 3, 1998. WFNN had its corporate status revoked in April 2002 for failure to file a list of its corporate officers and directors with the Nevada Secretary of State’s office. However, it appears that WFNN is still an operating company that has its principal place of business in Seattle, Washington. WFNN is purportedly in the business of developing and maintaining an Internet site that provides financial news and analysis of publicly traded companies located throughout the world.

2. Joseph Louis de Beauchamp (“de Beauchamp”) is a Washington resident and president of WFNN. de Beauchamp was formerly a registered securities salesperson who was registered in Washington from May 1983 until October 1988 and from March 1989 until June 1993.

3. Anthony E. Lucero, Jr. (“Lucero”) is a Washington resident who has held himself out as vice president of WFNN. Lucero was formerly a registered securities salesperson who was registered in Washington from March 1988 until November 1995. Lucero was also an attorney who was disbarred in the state of New Mexico in March 1982. In December 1977, Lucero was convicted in the United States District Court for the District of New Mexico of transporting forged securities in interstate commerce.

**II. OFFER AND SALE OF WFNN STOCK**

From February 1998 through at least August 2002, WFNN has offered and sold more than \$4 million worth of WFNN stock to more than 180 investors, many of whom are Washington residents. According to WFNN offering materials, there was a March 1999 offering of WFNN common stock at 25 cents per share that

1 resulted in “gross” proceeds to WFNN of \$292,000 and there was a May 1999 offering of WFNN common  
2 stock at \$1.00 per share that resulted in “gross” proceeds to WFNN of \$2,689,500.

### 3 III. WFNN “REGULATION D” EXEMPTION FILINGS IN WASHINGTON

4 In March 1999, WFNN filed with the Washington Securities Division a Form D notice of a Rule 504  
5 \$350,000 common stock offering. Later in March 1999, WFNN filed a Washington report of sales for the  
6 Rule 504 offering showing that WFNN sold \$277,000 worth of common stock to 11 purchasers in  
7 Washington.

8 In April 1999, WFNN filed with the Washington Securities Division a Form D notice of a Rule 506  
9 \$1,500,000 common stock offering with an offering price of \$1.00 per share. In February 2000, WFNN filed a  
10 Washington report of sales showing that the amount of the offering had increased to \$2,761,500.

11 Because the offers and sales of WFNN stock under Rule 504 and under Rule 506 were part of a single plan  
12 of financing; involved the issuance of the same class of securities; were made at or about the same time; had  
13 the same type of consideration and were made for the same general purpose, the offers and sales should be  
14 integrated.

### 15 IV. MISREPRESENTATIONS AND OMISSIONS

16 Beginning in 1998, when offering and selling WFNN stock, Respondents each misrepresented to investors  
17 that WFNN would have a 10:1 stock split that would generate a return of at least ten times the amount initially  
18 invested. In April 2000, WFNN did have a 10:1 split of its common stock, but the split only increased the  
19 number of outstanding shares and did not change the underlying value of the corporation or generate any  
20 return to investors.

21 Beginning in 1998, when offering and selling WFNN stock, Respondents have each misrepresented to  
22 investors that WFNN stock would soon go public, which would immediately increase the value of WFNN  
23 stock. Respondents have each pressured investors to invest quickly or miss out on an imminent IPO (initial

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1 public offering) that would increase the value of their stock. However, there was no reasonable basis for  
2 claiming that WFNN was going public right away and, to date, WFNN stock has never been publicly traded.

3 Between April 1999 and February 2000, WFNN sold its common stock in a single offering to more than 35  
4 unaccredited investors, which exceeds the limitations of Rule 506 of Regulation D. When offering and selling  
5 WFNN stock, Respondents have each falsely represented that investors could invest under the “umbrella” of  
6 an accredited investor and be counted as a single investor. They have also each falsely represented that  
7 investors who were unsophisticated and unaccredited could combine their net worth or annual incomes to  
8 qualify as an “accredited” investor.

9 When offering and selling WFNN stock, Respondents have each given investors misleading financial  
10 information about the company and the value and pricing of its stock. Respondents have each told investors  
11 that WFNN stock was independently appraised at \$3.00 per share without any reasonable basis for that  
12 valuation and during a time when WFNN stock was being sold at an arbitrary offering price of \$1.00 per share  
13 and the company had no revenues. Respondents have also given misleading financial projections to investors  
14 without explaining the assumptions underlying the projections or providing any reasonable basis for the  
15 projections.

16 When offering and selling WFNN stock, Respondents have each failed to disclose material information  
17 about the investment. Respondents have each failed to give investors financial statements for WFNN.  
18 Respondents have each failed to specify the intended use of proceeds from the sale of WFNN stock.  
19 Respondents have each failed to disclose that deBeauchamp filed for chapter 13 bankruptcy in 1996. When  
20 offering and selling WFNN stock, Lucero also represented to investors that he was an attorney and that he was  
21 especially knowledgeable about securities matters without disclosing that he was disbarred in 1982 and that he  
22 had a criminal conviction in 1977 for transporting forged securities in interstate commerce.

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V. OFFER OR SALE OF CONVERTIBLE NOTES BY “GENERAL FAMILY PARTNERSHIP”

During 2001 and 2002, de Beauchamp and Lucero each represented that WFNN had tax write-offs that could be passed through to a “general family partnership.” DeBeauchamp and Lucero have each offered or sold convertible promissory notes from a so-called “general family partnership” to at least three investors who were Washington residents. However, the investors were passive investors who had no active participation in a business venture with de Beauchamp or Lucero and were not members of the same family as de Beauchamp or Lucero or the other “general family partnership” investors.

When offering and selling the purported “general family partnership” promissory notes, de Beauchamp and Lucero each falsely represented that investors would receive federal income tax deductions equal to twice the amount of their investment. de Beauchamp and Lucero also represented that investors could convert their “general family partnership” notes into WFNN stock at \$1.10 per share.

When offering and selling the convertible notes, de Beauchamp and Lucero each failed to disclose material facts about the investment. They each failed to provide any basis for allowing the purported tax deductions and they each failed to disclose that generally under existing IRS rules no such deductions could be taken. They each failed to give investors financial statements for WFNN.

VI. UNREGISTERED STOCK

World Financial News Network Corporation is not currently registered to sell its stock in the state of Washington and has not previously been so registered.

VII. UNREGISTERED SECURITIES BROKER-DEALER OR SECURITIES SALESPERSONS

From February 1998 through January 2003, de Beauchamp and Lucero have not been registered as securities salespersons and neither they nor WFNN have ever been registered as a securities broker-dealer in the state of Washington.

VIII. THREAT TO THE INVESTING PUBLIC

The Securities Administrator finds that the respondents' continued offering of WFNN stock and convertible notes as described in the above Tentative Findings of Fact and the continued availability of exemptions to respondents under RCW 21.20.320(1), RCW 21.20.320(9) and RCW 21.20.320(17) presents a threat to the investing public.

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

CONCLUSIONS OF LAW

I.

The offer and sale of WFNN stock as described in the Tentative Findings of Fact constitutes the offer and sale of a security, as defined in RCW 21.20.005(10) and (12).

II.

The offer and sale of the so-called "general family partnership" convertible notes as described in Tentative Finding of Fact V constitutes the offer and sale of a security, as defined in RCW 21.20.005(10) and (12), whether in the form of a note, evidence of indebtedness or right to receive stock.

III.

From April 1999 to present, the offer and sale of WFNN stock as described in the Tentative Findings of Fact is in violation of RCW 21.20.140 because no registration for WFNN stock is on file with the Securities Administrator and because, as described in Tentative Finding of Fact IV, WFNN did not qualify for a Regulation D, Rule 506 exemption for the sale of its stock.

IV.

Respondents have each violated RCW 21.20.040 by offering and selling WFNN stock while not being registered as a securities salesperson or securities broker-dealer in the state of Washington.

V.

The offer and sale of WFNN stock and the offer and sale of convertible notes described in the Tentative Findings of Fact was made in violation of RCW 21.20.010 because, in connection with the offer and sale of those securities, Respondents each made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made not misleading.

VI.

The Securities Administrator concludes that an emergency exists, that Respondents' continued violations of RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140 and the Respondents' continued availability of exemptions under RCW 21.20.320(1), RCW 21.20.320(9) and RCW 21.20.320(17) constitutes a threat to the investing public, and that summary orders to cease and desist from those violations and summary withdrawal of the availability to respondents of exemptions under RCW 21.20.320(1), RCW 21.20.320(9) and RCW 21.20.320(17) are in the public interest and necessary for the protection of the investing public.

**NOTICE OF INTENT TO IMPOSE A FINE**

Based upon the misrepresentations or omissions made in connection with the offer and sale of stock and convertible notes as described in the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that there have been knowing or reckless violations of the Securities Act of Washington by Joseph Louis de Beauchamp and Anthony E. Lucero, Jr. that justify the imposition of a fine pursuant to RCW 21.20.395. Therefore, the Securities Administrator intends to order Joseph Louis de Beauchamp and Anthony E. Lucero, Jr. to each pay a fine of \$50,000.

**SUMMARY ORDER**

Based upon the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that World Financial News Network Corporation, Joseph Louis de Beauchamp, Anthony E. Lucero, Jr. and their agents

1 and employees shall each cease and desist from offering or selling securities in any manner in violation of  
2 RCW 21.20.140, the securities registration section of the Securities Act of Washington.

3 It is further SUMMARILY ORDERED that World Financial News Network Corporation, Joseph Louis de  
4 Beauchamp, Anthony E. Lucero, Jr. and their agents and employees shall each cease and desist from offering or  
5 selling securities in any manner in violation of RCW 21.20.040, the securities broker-dealer and securities  
6 salesperson registration section of the Securities Act of Washington.

7 It is further SUMMARILY ORDERED that World Financial News Network Corporation, Joseph Louis de  
8 Beauchamp, Anthony E. Lucero, Jr. and their agents and employees shall each cease and desist from violation  
9 of RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

10 It is further SUMMARILY ORDERED that all exemptions available under RCW 21.20.320(1), RCW  
11 21.20.320(9) and RCW 21.20.320(17) to World Financial News Network Corporation, Joseph Louis de  
12 Beauchamp, Anthony E. Lucero, Jr. and their agents and employees and any entity of which Joseph Louis de  
13 Beauchamp or Anthony E. Lucero, Jr. is a director, executive officer or controlling shareholder, are hereby  
14 revoked.

15 **AUTHORITY AND PROCEDURE**

16 This Order is entered pursuant to the provisions of RCW 21.20.325, RCW 21.20.390 and RCW 21.20.395  
17 and is subject to the provisions of Chapter 34.05 RCW, the Administrative Procedure Act. The respondents,  
18 World Financial News Network Corporation, Joseph Louis de Beauchamp and Anthony E. Lucero, Jr., may  
19 each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND  
20 OPPORTUNITY FOR HEARING accompanying this order.

21 If a respondent fails to make a timely hearing request, the Securities Administrator intends to adopt the  
22 above Tentative Findings of Fact and Conclusions of Law as final and make the summary order to cease and  
23 desist permanent as to that respondent.

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1 If either Joseph Louis de Beauchamp or Anthony Lucero, Jr. fails to make a timely hearing request, the  
2 Securities Administrator may also impose the fine sought against that respondent. The Securities  
3 Administrator may enter a final order imposing the fine, file a certified copy of the order in superior court and  
4 proceed to collect the fine in accordance with RCW 21.20.395.

5 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

6 DATED this 18 day of April, 2003

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9 DEBORAH R. BORTNER  
10 Securities Administrator

11 Approved by:

11 Presented by:

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14 Michael E. Stevenson  
15 Chief of Enforcement

14 Janet So  
15 Legal Examiner

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