1	STATE OF WASHINGTON			
2	DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION			
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4	IN THE MATTER OF DETERMINING)Order No. S-04-070-05-TO01Whether there has been a violation of the)			
5	Securities Act of Washington by:)SUMMARY ORDER TO CEASE AND)DESIST AND NOTICE OF INTENT TO			
б) IMPOSE FINES AND RECOVER COSTS Iris Kaye Rounsaville)			
7) Respondent.)			
8	Kespondent)			
9	THE STATE OF WASHINGTON TO: Iris Kaye Rounsaville			
10				
11	STATEMENT OF CHARGES			
12	Please take notice that the Securities Administrator of the State of Washington has reason			
13	to believe that Respondent, Iris Kaye Rounsaville, has violated the Securities Act of Washington			
14	and that the violations justify the entry of an order of the Securities Administrator under RCV			
15	21.20.390 against her to cease and desist from such violations. The Securities Administrato			
16	finds that delay in ordering the Respondent to cease and desist from such violations would b			
17	hazardous to the investors and to the public and that a Summary Order to Cease and Desis			
18	should be entered immediately. The Securities Administrator finds as follows: TENTATIVE FINDINGS OF FACT			
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21	I. <u>Parties</u>			
22	1. Respondent Iris Kaye Rounsaville, a.k.a. Iris Kaye and Iris Kaye/Rounsaville,			
23	(Rounsaville) was at all times relevant to this order a resident of Bremerton, Washington.			
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	SUMMARY ORDER TO CEASE AND DESIST AND 1 NOTICE OF INTENT TO IMPOSE FINES Column 2 Co			

II. <u>Nature of the Offering</u>

2. From August 2003 through August 2004 Rounsaville offered and sold investment opportunities to 13 individuals raising over \$154,000. Of that money, approximately \$109,000 came from ten Washington residents.

3. Rounsaville told investors that she had a friend that was an airline pilot who would buy rare gold coins at auction in Europe and then resell the coins for a substantially higher amount. Rounsaville told the investors that he would double or triple their money in a matter of months and that there was little to no risk in the investment.

4. Investors were provided with notarized promissory notes signed by Iris Rounsaville, Iris Kaye Rounsaville, Iris Kaye or Iris Kaye/Rounsaville. The notes promised the return of the investors' principal and annual interest rate of 6% to 10% if the principal was not paid back at the time the note was due. Investors believed that the money was going toward rare gold coin purchases and that their rate of return on the investment would be double or triple their investment amount.

5. When some of the investors' notes came due Rounsaville convinced them to keep their investment with her longer. One investor was told that she would receive 600% return on her investment if she extended the due date by three months. Another investor was told that the return on her \$5,000 investment was \$30,000 for a seven-month investment. Rounsaville presented the investor with a check for \$30,000, but said that if she returned the check she would double it two months. In both cases the investors allowed Rounsaville to keep their funds for the requested extension. In both cases the investors have not had any of their investment returned.

III. <u>Misrepresentations and Omissions</u>

SUMMARY ORDER TO CEASE AND DESIST AND NOTICE OF INTENT TO IMPOSE FINES

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

6. Rounsaville failed to provide to investors material information regarding her investment opportunities, including, but not limited to financial statements or financial information. Rounsaville's investors were not provided with material information regarding the current and long-term profitability expectations for the rare gold coin purchase and sales. Investors were not provided with material information regarding the ability of Rounsaville to pay the stated rates of investment return. Additionally, Rounsaville failed to disclose to investors that she had been the subject of a securities enforcement action by the Maryland Securities Commissioner for securities fraud in 1992 and had been convicted of mail fraud in 1993.

7. In 1992 the Securities Commissioner for the State of Maryland filed a Complaint for Injunctive Relief, Motion for Interlocutory Injunction, Final Order to Cease and Desist, and Final Judgment and Consent against Ms. Rounsaville for violating various sections of the Maryland Securities Act. In 1993 Rounsaville pled guilty to mail fraud charges in federal court and sentenced to five years incarceration for the investment opportunity she promoted that was the basis of the Maryland Securities action.

EMERGENCY

8. The Securities Administration finds that an emergency exists and that the continued offers or sales of said investment opportunities in violation of RCW 21.20.010, RCW 21.20.140, and RCW 21.20.040, constitute a threat to the investing public. Accordingly, a Summary Order to Cease and Desist from those violations is in the public interest and necessary for the protection of the investing public.

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

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SUMMARY ORDER TO CEASE AND DESIST AND NOTICE OF INTENT TO IMPOSE FINES

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

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1	CONCLUSIONS OF LAW		
2	I. <u>Securities</u>		
3	9. The offer or sale of investment contracts, profit sharing arrangements, notes or		
4	evidences of indebtedness described above constitutes the offer or sale of a security as defined in		
5	RCW 21.20.005(10) and (12).		
6	II. <u>Anti-Fraud Provision</u>		
7 8	10. The offer or sale of said securities was made in violation of RCW 21.20.010		
o 9	because, as set forth in the Tentative Findings of Fact, Respondent Rounsaville misstated or		
10	omitted to state material facts necessary in order to make the statements made, in the light of the		
11	circumstances under which they were made, not misleading.		
12	III. <u>Registration of Securities</u>		
13	11. The offer or sale of said securities is in violation of RCW 21.20.140 because no		
14	registration or notification of claim of exemption for such offer or sale is on file with the		
15	Securities Administrator of the state of Washington.		
16	IV. <u>Registration of Broker-Dealer and Salespersons</u>		
17	12. Respondent Rounsaville has violated RCW 21.20.040 by offering and/or selling said		
18	securities while not being registered as a broker-dealer or securities salesperson in the state of		
19 20	Washington.		
20 21	SUMMARY ORDER		
21	Based on the foregoing,		
23	IT IS HEREBY SUMMARILY ORDERED that Iris Kaye Rounsaville cease and desist		
24	from offering or selling securities in any manner in violation of RCW 21.20.010, the anti-fraud		
25	section of the Securities Act of Washington.		
	SUMMARY ORDER TO CEASE AND DESIST AND 4 NOTICE OF INTENT TO IMPOSE FINES Olympia, WA 98507-9033 360-902-8760		

It is further SUMMARILY ORDERED that respondent, Iris Kaye Rounsaville cease and desist from violation of RCW 21.20.140, the section of the Securities Act of Washington requiring registration.

It is further SUMMARILY ORDERED that Iris Kaye Rounsaville cease and desist from violation of RCW 21.20.040, the section of the Securities Act that requires registration of securities salespersons and broker-dealers.

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NOTICE OF INTENT TO IMPOSE FINE AND RECOVER COSTS

Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that Respondent Iris Kaye Rounsaville has committed a knowing or reckless violation of the Securities Act such that the imposition of a fine is appropriate. Therefore, the Securities Administrator intends to order that the Respondents shall jointly and severally pay a fine in the amount of \$10,000 and (2) the costs, fees, and other expenses incurred in the conduct of investigating this matter, in any amount not less than \$2,000.

AUTHORITY AND PROCEDURE

This Order is entered pursuant to the provisions of RCW 21.20.390 and is subject to the provisions of RCW 34.05, the Administrative Procedures Act. The Respondent, Iris Rounsaville, may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.

If the Respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and make the Summary Order to Cease and Desist permanent as to the Respondent and impose the fines and recover costs against the Respondent.

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SUMMARY ORDER TO CEASE AND DESIST AND NOTICE OF INTENT TO IMPOSE FINES

1	WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.		
2	Dated and Entered this 28th day of March, 2005.		
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4		hidel E, Stevenson	
5	Mic	hael E. Stevenson	
6		urities Administrator	
7		esented by:	
8	Martin Cordell	Tyhet	
9	Martin Cordell Iy	ler R. Letey	
10	Chief of Enforcement Fir	ancial Legal Examiner	
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