1	STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS			
2	SECURITIES DIVISION			
3	IN THE MATTER OF DETERMINING) Order Number S-05-015-05-SC01			
4	Whether there has been a violation of the)			
5	Securities Act of Washington by:)STATEMENT OF CHARGES AND NOTICE)OF INTENT TO ENTER ORDER TO CEASE			
6	Legacy Capital Group; Pacific Capital) AND DESIST AND TO IMPOSE FINES Development; Guy Beatty) AND RECOVER COSTS			
7	Respondents.)			
8	THE STATE OF WASHINGTON TO: Legacy Capital Group			
9	Pacific Capital Development Guy Beatty			
10				
11	STATEMENT OF CHARGES			
12	Please take notice that the Securities Administrator of the State of Washington has reason			
13	to believe that Respondents, Legacy Capital Group, Pacific Capital Development, and Guy			
14	Beatty, have each violated the Securities Act of Washington and that their violations justify the			
15	entry of an order of the Securities Administrator under RCW 21.20.390 against each to cease and			
16	desist from such violations. The Securities Administrator finds as follows:			
17				
18	TENTATIVE FINDINGS OF FACT			
19	I. PARTIES			
20	1. Legacy Capital Group Ltd. ("Legacy") is a trust established in Oregon with its			
21	principal place of business at One World Trade Center, 121 SW Salmon Street, 11 th Floor,			
22	Portland, Oregon 97204.			
23	2. Guy Beatty is the principal of Legacy.			
24	STATEMENT OF CHARGES AND NOTICE OF1DEPARTMENT OF FINANCIAL INSTITUTIONSINTENT TO ENTER ORDER TO CEASE AND DESIST AND TO IMPOSE FINES AND RECOVER COSTSPO Box 9033 Olympia, WA 98507-9033 360-902-8760			

1	3. Pacific Capital Development, LLC ("Pacific Capital") is an Oregon limited		
2	liability company with its principal place of business at One World Trade Center, 121 SW		
3	Salmon Street, Portland, Oregon 97204. Pacific Capital purportedly assists small to medium		
4	emerging companies in two primary areas: business development and planning and transactional		
5	development for capital fund raising.		
6	4. Guy Beatty ("Beatty") is a managing member of Pacific Capital Development,		
7	LLC.		
8	II. NATURE OF THE OFFERING		
9	INVESTMENT #1		
10	5. A Washington resident ("Resident") met Beatty in or around February of 2003 at		
11	a meeting in Oregon when Beatty, through Pacific Capital, was raising start-up money for a		
12	relative of the Resident. Resident told Beatty in a later conversation that he had some money		
13	from the sale of a house that he was interested in investing.		
14	6. On or about June 17, 2003 Beatty met with Resident at his home in Washington to		
15	discuss a potential investment. Beatty told Resident that a client of Legacy had securities that		
16	needed "repatriating" to the United States but in order to do so the client needed a bank account		
17	in England. Once a bank account was opened the client would use the bank's services to bring		
18	the securities into the United States.		
19	7. In return for \$15,000 to open the bank account Resident would receive an interest		
20	rate of 100%. In lieu of cash payment, Resident had an option to receive membership units in a		
21	separate company of the lender's choice. If the transaction did not take place within 60 days the		
22	funds were to be immediately returned to Resident with no interest.		
23			
24	STATEMENT OF CHARGES AND NOTICE OF2DEPARTMENT OF FINANCIAL INSTITUTIONSINTENT TO ENTER ORDER TO CEASE AND DESIST AND TO IMPOSE FINES AND RECOVER COSTSDEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760		

1 8. In or around August of 2003 Beatty contacted Resident and told him that the 2 client was attempting to collect payment due on contract work in Nigeria totaling \$28 million 3 and opening the bank account was part of the process. Beatty later sent documents that appeared 4 to support this to Resident. 9. 5 Resident attempted to contact Beatty to check on the status of the transaction and 6 his investment numerous times. In or around November of 2004 Beatty told Resident that 7 because of "fraud overseas" the transaction had not been completed, but Resident's money was 8 not returned. After this conversation Beatty stopped returning Resident's phone calls. 9 **INVESTMENT #2** 10. On or about June 28, 2003, Resident approached Beatty with additional funds he 10 11 wanted to invest. Beatty promised high returns if Resident invested his money with an emerging 12 company client of Pacific Capital called Legacy Asset Management. Beatty told Resident that 13 Legacy Asset Management purchased delinquent debt and collected on that debt. 14 11. In return for \$35,000 Resident would receive an interest rate of 12%. In lieu of cash payment, Resident had an option to receive membership units in a company by the name of 15 16 Trans Pacific Asset Management, LLC. 17 12. In or around August of 2003 Beatty told Resident that his investment never went 18 to Legacy Asset Management but did not tell Resident where his money was invested. 19 13. In or around September of 2003 Beatty told Resident that his \$35,000 investment 20 was used by Pacific Capital but did not offer any specifics. 21 V. MISREPRESENTATIONS AND OMISSIONS 22 14. Beatty failed to disclose material information about the investment opportunities 23 described above including but not limited to, financial statements for Legacy and Pacific Capital. DEPARTMENT OF FINANCIAL INSTITUTIONS STATEMENT OF CHARGES AND NOTICE OF 3 24 Securities Division INTENT TO ENTER ORDER TO CEASE AND DESIST PO Box 9033 AND TO IMPOSE FINES AND RECOVER COSTS Olympia, WA 98507-9033 360-902-8760 1 15. Beatty omitted material facts regarding the first investment including but not
 2 limited to, the name of the bank where the account was being opened, who Legacy's client was,
 3 and the general and specific risks involved.

4 16. Beatty failed to disclose material information regarding Legacy Asset
5 Management and Trans Pacific Asset Management, LLC including but not limited to, financial
6 statements, a detailed description of the business ventures, the amount of money necessary to
7 finance the business ventures and the identity and background of the persons that would handle
8 the businesses.

9 17. Beatty failed to disclose that a Final Order to Cease and Desist was entered 10 against Beatty and Tri-Vision by the Department on January 1, 2003 and served on Beatty 11 January 17, 2003. Fines levied against Beatty and Tri-Vision for \$5,000 remain unpaid. The 12 Final Order found that Beatty, on behalf of Tri-Vision, falsely represented that the principal 13 amount of the investment would remain intact and the only amount at risk was the return. Beatty 14 also failed to disclose material information about the investment including a detailed description of the purported business venture, the amount of money required to finance the purported 15 16 business venture, the specific use of investor funds, the identity and background of the persons 17 and companies that would purportedly handle the business transactions and the risks associated 18 with the investment and purported business and activity. The Final Order also found that Beatty 19 and Tri-Vision had offered and sold securities in Washington State without being registered to do 20 so.

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VI. REGISTRATION STATUS

18. Legacy Capital Group Ltd. is not currently registered to sell securities in the state
 of Washington and has not previously been so registered.
 STATEMENT OF CHARGES AND NOTICE OF 4
 DEPARTMENT OF FINANCIAL INSTITUTIONS
 Securities Division

INTENT TO ENTER ORDER TO CEASE AND DESIST AND TO IMPOSE FINES AND RECOVER COSTS

1	19.	Pacific Capital Development, LLC is not currently registered to sell securities in	
2	the state of Wa	ashington and has not previously been so registered.	
3	20.	Guy Beatty is not currently registered as a securities salesperson or broker-dealer	
4	in the state of	Washington and was not registered at the time of the offers described above. From	
5	January 1991	until September 1998 Beatty was a registered securities salesperson in the State of	
6	Washington.		
7			
8	Based	upon the Tentative Findings of Fact, the following Conclusions of Law are made:	
9			
10	CONCLUSIONS OF LAW		
11	1.	The offer or sale of said securities described above constitutes the offer or sale of	
12	a security as d	efined in RCW 21.20.005(10) and (12).	
13	2.	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 Adr	ninistrator.	
16	3.	Guy Beatty has violated RCW 21.20.040 by offering or selling said securities	
17	while not regis	stered as a securities salesperson or broker-dealer in the state of Washington.	
18	4.	The offer or sale of said securities was made in violation of RCW 21.20.010	
19	because, as set	forth in the Tentative Findings of Fact, Respondents either made untrue	
20	statements of 1	naterials facts or omitted to state material facts necessary in order to make the	
21	statements ma	de, in light of the circumstances under which they were made, not misleading.	
22			
23			
24	INTENT TO EN'	F CHARGES AND NOTICE OF 5 DEPARTMENT OF FINANCIAL INSTITUTIONS FER ORDER TO CEASE AND DESIST Securities Division FE FINES AND RECOVER COSTS Olympia, WA 98507-9033 360-902-8760	

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NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST

Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intend to order that Respondents, Legacy Capital Group, Pacific Capital Development, Guy Beatty, their agents and employees each cease and desist from violations of RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140.

NOTICE OF INTENT TO IMPOSE FINES AND RECOVER COSTS

8 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and
9 Conclusions of Law, the Securities Administrator intends to order that Respondents, Legacy
10 Capital Group, Pacific Capital Development, and Guy Beatty, shall be jointly and severally liable
11 for and pay a fine of \$20,000.

Pursuant to RCW 21.20.390 and based upon the Tentative Findings of Fact and
Conclusions of Law, the Securities Administrator intends to order that Respondents, Legacy
Capital Group, Pacific Capital Development, and Guy Beatty, shall be jointly and severally liable
for and pay to the Securities Division the costs, fees, and other expenses incurred in the conduct
of investigating this matter, in an amount no less than \$ 5,000.

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AUTHORITY AND PROCEDURE

19 This Statement of Charges is entered pursuant to the provisions of RCW 21.20.390 and 20 21.20.395 and is subject to the provisions of RCW 34.05. The Respondents, Legacy Capital 21 Group, Pacific Capital Development, and Guy Beatty, may each make a written request for a 22 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY 23 FOR HEARING accompanying this order. DEPARTMENT OF FINANCIAL INSTITUTIONS STATEMENT OF CHARGES AND NOTICE OF 6 24 Securities Division INTENT TO ENTER ORDER TO CEASE AND DESIST PO Box 9033 AND TO IMPOSE FINES AND RECOVER COSTS Olympia, WA 98507-9033 360-902-8760

1	If a Respondent does not request a hearing, the Securities Administrator intends to adopt		
2	the above Tentative Findings of Fact and Conclusions of Law as final and enter a permanent		
3	cease and desist order and impose fines and costs as to that Respondent.		
4			
5	CONTINUING INVESTIGATION		
6	The Securities Division is continuing to investigate this matter, including the practices of		
7	Respondents, to determine the full extent of the violations of the Securities Act that may have		
8	occurred.		
9			
10	Dated and Entered this 9th day of September, 2005.		
11			
12	middel Z, Stevenson		
13	MICHAEL E. STEVENSON Securities Administrator		
14	Approved by: Presented by:		
15	An Elm K. Republiks		
16	Suzanne SarasonKate ReynoldsChief of Compliance &Financial Legal Examiner		
17	Examinations		
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24	STATEMENT OF CHARGES AND NOTICE OF7DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 		