# 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 the State of Washington by:

Order No. S-05-212-05-TO01

Joseph Winfield "Hap" Langlie, U.S. Monolith Ministry #2, The VenPar Group, and Windy Langlie Tennis Center No. 1, SUMMARY ORDER TO CEASE AND DESIST

Respondents.

THE STATE OF WASHINGTON TO:

Joseph W. "Hap" Langlie U.S. Monolith Ministry #2 The VenPar Group Windy Langlie Tennis Center No. 1

10

11

12

13

14

15

16

17

18

19

20

21

22

23

1

2

3

4

5

6

7

8

9

## STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Joseph W. "Hap" Langlie, U.S. Monolith Ministry #2, The VenPar Group, and Windy Langlie Tennis Center No. 1, have 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. The Securities Administrator finds that delay in ordering Respondents to cease and desist from such violations would be hazardous to investors and to the public, and that a Summary Order to Cease and Desist should be entered immediately.

The Securities Administrator finds as follows:

## TENTATIVE FINDINGS OF FACT

## I. RESPONDENTS

1. Joseph Winfield "Hap" Langlie ("Langlie") was at all times relevant to this order a resident of Mountlake Terrace, Washington. He is the sole officer and director of all three firms named in this order.

24

- 2. U.S. Monolith Ministry #2 ("Monolith") is an active Washington non-profit corporation authorized to do business June 8, 2000. Monolith offers to assist consumers interested in multi-level and network marketing expand their businesses by building "downlines" in six network marketing companies, including The VenPar Group. Langlie is the sole officer and director of Monolith.
- 3. The VenPar Group ("VenPar") is an active Washington non-profit corporation authorized to do business November 20, 1998. VenPar is a home-based business opportunity that offers multi-level marketing assistance. Langlie is the sole officer and director of VenPar.
- 4. Windy Langlie Tennis Center No. 1 ("Windy") is an active Washington non-profit corporation authorized to do business June 8, 2000. Langlie hopes to create local tennis centers named after his father, Joseph W. "Windy" Langlie, Sr. Langlie is the sole officer and director of Windy.

## II. NATURE OF CONDUCT

- 5. On or about July 29, 2002, Langlie and Monolith received \$64,000 from an investor in exchange for a note paying 100% interest in four months. The note was never paid.
- 6. On March 2, 2005, the Securities Division received a complaint alleging that Langlie had recently taken \$20,000 from an elderly neighbor, a widower, under false pretenses.
- 7. On October 27, 2005, Langlie provided information to the Securities Division indicating that during the preceding twelve months, he had raised at least \$100,000 for three businesses, Monolith, Venpar, and Windy. Langlie raised the money from approximately 40 individual investors, at least 10 of whom reside in Washington. Langlie indicated that in exchange for the funds he issued promissory notes or investment contracts to the investors promising various rates of return.
- 8. Langlie failed to disclose to those investors that the Securities Division has taken action against him for violations of the Securities Act on two prior occasions:
  - a. Securities Division Temporary Order to Cease and Desist SDO-73-89, entered May 10, 1989, enjoined Langlie from offering or selling securities in violation of RCW 21.20.140, the securities registration provision; RCW 21.20.010, the anti-fraud provision; and RCW 21.20.040, the salesperson registration provision.

- b. Securities Division Statement of Charges SDO-27-98, entered April 22, 1998, advised Langlie that the Division intended to enter an Order against him enjoining him from future violations of RCW 21.20.140, .010, and .040.
- 9. Langlie represented to investors that he would use investor funds to develop Monolith, Venpar, and Windy.

## III. REGISTRATION STATUS

- 10. The offer and sale of securities by Respondents Langlie, Monolith, VenPar, and Windy is not currently registered in Washington State and has not previously been so registered.
- 11. Respondent Langlie is not currently registered as a securities salesperson or broker-dealer in Washington State and has not previously been registered.

Based on the foregoing Tentative Findings of Fact, the following Conclusions of Law are made.

# **CONCLUSIONS OF LAW**

- 1. The offer or sale of the promissory notes and investment contracts described above constitutes the offer and sale of a security as defined in RCW 21.20.005 (10) and (12).
- 2. Respondents Joseph W. "Hap" Langlie, U.S. Monolith Ministry #2, The VenPar Group, and Windy Langlie Tennis Center No. 1, have each violated RCW 21.20.010, the anti-fraud provision of the Securities Act of Washington, by making, in connection with the offer or sale of said securities, untrue statements of material fact and by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
- 3. Respondents Joseph W. "Hap" Langlie, U.S. Monolith Ministry #2, The VenPar Group, and Windy Langlie Tennis Center No. 1, have each violated RCW 21.20.140, the securities registration provision of the Securities Act of Washington, by offering or selling said securities while no registration for such offer or sale was on file with the Division.

	1
	2
	3
	4
	5
	6
	7
	8
	9
1	0
1	1
1	2
1	3
1	4
1	5
1	6
1	7
1	8
1	9
2	0
2	1
2	2
2	3
_	

4. Respondent Joseph W. "Hap" Langlie has violated RCW 21.20.040, the securities broker-dealer and salesperson registration provision of the Securities Act of Washington, by offering and selling said securities while not registered as securities broker-dealer or salesperson in the state of Washington.

## **EMERGENCY**

Based upon the foregoing, the Securities Administrator finds that an emergency exists and that Respondents' continued offer or sale of unregistered securities without adequate disclosure constitutes a threat to the investing public. The Securities Administrator finds that a Summary Order to Cease and Desist from those violations is in the public interest and necessary for the protection of the public.

# **SUMMARY ORDER**

Based upon the foregoing,

IT IS THEREFORE SUMMARILY ORDERED that Respondents, Joseph W. "Hap" Langlie, U.S. Monolith Ministry #2, The VenPar Group, and Windy Langlie Tennis Center No. 1, their agents and employees, shall each cease and desist from violating RCW 21.20.140, the securities registration provision of the Securities Act of Washington.

It is further SUMMARILY ORDERED that Respondent Joseph W. "Hap" Langlie shall cease and desist from violating RCW 21.20.040, the securities broker-dealer and salesperson registration provision of the Securities Act of Washington.

It is further SUMMARILY ORDERED that Respondents, Joseph W. "Hap" Langlie, U.S. Monolith Ministry #2, The VenPar Group, and Windy Langlie Tennis Center No. 1, their agents and employees, shall each cease and desist from violating RCW 21.20.010, the anti-fraud provision of the Securities Act of Washington.

## **AUTHORITY AND PROCEDURE**

This Summary Order is entered pursuant to the provisions of RCW 21.20.390 and is subject to the provisions of Chapter 34.05 RCW. Each Respondent 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 a Respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact, Conclusions of Law, and Summary Order as final, and enter a final order against that Respondent enjoining future violations of the Securities Act.

## CONTINUING INVESTIGATION

The Securities Division is continuing to investigate the practices of the Respondents herein to determine the full extent of the violations of the Securities Act that may have occurred in this matter.

# WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

DATED and ENTERED this 28th day of November, 2005.

Quidal E, Stevenson

MICHAEL E. STEVENSON Securities Administrator

Approved for entry by:

SUZANNE E. SARASON

Program Manager

Compliance & Examinations

Presented by:

ANTHONY W. CARTER

Staff Attorney

Compliance & Examinations

22

23

24