## STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS **SECURITIES DIVISION**

5yearbond 1yearbond

Benjamin Revell Bahnhofstrasse 51

Zurich, Switzerland

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IN THE MATTER OF DETERMINING Order No. S-05-235-05-TO01 4 Whether there has been a violation of the Securities Act of Washington by: SUMMARY ORDER TO CEASE AND 5 **DESIST** 6 5yearbond; 1yearbond; and Benjamin 7 Revell

Respondents

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# TENTATIVE FINDINGS OF FACT

STATEMENT OF CHARGES

reason to believe that Respondents, 5yearbond, 1yearbond and Benjamin Revell, 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 against each of them to cease and desist

from such violations. The Securities Administrator finds that delay in ordering the Respondent

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

Please take notice that the Securities Administrator of the State of Washington has

SUMMARY ORDER TO CEASE AND DESIST

Administrator finds as follows:

THE STATE OF WASHINGTON TO:

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

### I. Respondents

- 1. 5yearbond holds itself out as a business involving investment opportunities available on the website 5yearbond.com and is not registered to do business in Washington state.
- 2. 1yearbond holds itself out as a business involving investment opportunities available on the website 5yearbond.com and is not registered to do business in Washington state.
- 3. Benjamin Revell represents himself to be the CEO of 5yearbond and 1yearbond and is also the administrative contact for 5yearbond.com.

#### II. Nature of the Offering

- 4. 5yearbond and 1yearbond are currently offering, and have been offering since at least November 2005, four different investment opportunities to residents of the state of Washington through their website www.5yearbond.com. The investment opportunities are also being promoted in person to residents of the state of Washington by existing investors. The website offers two investment options in their 5yearbond and two investment options in their 1yearbond. The 5yearbond has a minimum investment of \$500 and a maximum investment of \$500,000. The 1yearbond has a minimum investment of \$100 and a maximum investment of \$1,000.
- 5. Syearbond investment option one: Investors are guaranteed a minimum monthly return of 12.5% for 60 months, 150% annually, plus the return of their principal investment amount if they invest up to \$5,000. If the investor invests \$100,000 or more, the guaranteed minimum monthly return is 25%, which equals 300% return annually and would be worth \$1,600,000 in five years according the 5yearbond website.

- 6. 5yearbond investment option two: If the investor defers interest payment for 12 months before receiving monthly interest payments, the return on investment is higher. An investment of up to \$5,000 will return 200% annually plus the return of their principal in five years and an investment of \$100,000 or more returns 400% annually and would be worth \$2,100,000 in five years.
- 7. 1yearbond investment option one: Investors receive a guaranteed 10% interest per month for 12 months and the return of their principal at the end of the 12 months.
- 8. 1yearbond investment option two: Investors receive 160% return on their investment plus the return of their principal after 12 months, if they elect to not receive monthly interest payments.
- 9. Existing investors are also provided an incentive to promote the investment opportunities to others. Investors receive a referral fee of 10% of the money that is invested by anybody they refer to the investment according to the website.

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

10. The respondents made the following representations to the public as their basis for guaranteeing the investors returns: "...because of our high principles, we only place monies in totally ethical, 100% legal ventures. A high percentage of these being 'Blue Chip' Stocks and bonds, hence guaranteeing easily sustainable returns." Investors were not provided with material information regarding the ability of the respondents to pay the stated rates of investment return and promised guarantees. Additionally, the respondents failed to provide investors with financial statements or financial information regarding the investment opportunities.

1	11. 5yearbond and Benjamin Revell failed to disclose to potential investors that they			
2	are subject to an Emergency Cease and Desist Order by the Texas State Securities Board date			
3	October 27, 2005 for violations of the Texas anti-fraud and sale of unregistered securities			
4	statutes.			
5	IV. <u>Registration Status</u>			
6	12. The offer and/or sale of the investment opportunities issued by 5yearbond and			
7	1yearbond are not registered under the Securities Act of Washington nor has the offers and/or sales			
8	previously been so registered.			
9	13. Benjamin Revell is not currently registered as a securities salesperson, investment			
10	adviser or broker-dealer in the state of Washington and has not previously been so registered.			
11	Based upon the foregoing Tentative Findings of Fact the following Conclusions of Law are			
12	made.			
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14	EMERGENCY			
15	14. The Securities Administration finds that an emergency exists and that the			
16	continued offers or sales of said investment opportunities in violation of RCW 21.20.010, RCW			
17	21.20.140, and RCW 21.20.040, constitute a threat to the investing public. Accordingly, a			
18	Summary Order to Cease and Desist from those violations is in the public interest and necessary			
19	for the protection of the investing public.			
20	Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:			
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25	SUMMARY ORDER TO CEASE AND DESIST 4 DEPARTMENT OF FINANCIAL INSTITUTION			
	Securities Division			

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2	CONCLUSIONS OF LAW			
3	I. <u>Securities</u>			
4	15. The offer or sale of the investment opportunities described above constitute the			
5	offer or sale of a security as defined in RCW 21.20.005(10) and (12).			
6	II. Anti-Fraud Provision			
7	16. The offer or sale of said securities was made in violation of RCW 21.20.010			
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9	because, as set forth in the Tentative Findings of Fact, Respondents, 5yearbond, 1yearbond and			
0	Revell misstated or omitted to state material facts necessary in order to make the statements			
1	made, in the light of the circumstances under which they were made, not misleading.			
12	III. <u>Registration of Securities</u>			
13	17. The offer or sale of said securities is in violation of RCW 21.20.140 because no			
4	registration for such offer or sale is on file with the Securities Administrator of the state of			
15	Washington.			
16	IV. Registration of Broker-Dealer and Salespersons			
17	18. Respondent Revell has violated RCW 21.20.040 by offering and/or selling said			
8	securities while not being registered as a broker-dealer or securities salesperson in the state of Washington.			
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22	SUMMARY ORDER			
23	Based on the foregoing,			
24	IT IS THEREFORE HEREBY SUMMARILY ORDERED that respondents, 5 yearbond,			
25	1 yearbond and Benjamin Revell each cease and desist from offering or selling securities in any			
	SUMMARY ORDER TO CEASE AND DESIST 5 DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760			

1	manner in violation of RCW 21.20.010, the anti-fraud section of the Securities Act of		
2	Washington.		
3	It is further SUMMARILY ORDERED that respondents, 5yearbond, 1yearbond and		
4	Benjamin Revell each cease and desist from violation of RCW 21.20.140, the section of the		
5	Securities Act of Washington requiring registration.		
6	It is further SUMMARILY ORDERED that respondent Benjamin Revell cease and		
7 8	desist from violation of RCW 21.20.040, the section of the Securities Act that requires		
9	registration of securities salespersons and broker-dealers.		
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11	AUTHORITY AND PROCEDURE		
12	This Order is entered pursuant to the provisions of RCW 21.20.390 and is subject to the		
13	provisions of RCW 34.05, the Administrative Procedures Act. The Respondents, 5yearbond		
14	1yearbond and Benjamin Revell, may each make a written request for a hearing as set forth i		
15	the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING		
16	accompanying this order.		
17	If a Respondent does not request a hearing, the Securities Administrator intends to adopte		
18	the above Tentative Findings of Fact and Conclusions of Law as final and make the Summary		
19	Order to Cease and Desist permanent as to that Respondent.		
20 21	WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.		
22	Dated and Entered this 1st day of February, 2006.		
23			
24	Quidel E, Stevenson		
25	Michael E. Stevenson		
	SUMMARY ORDER TO CEASE AND DESIST 6 DEPARTMENT OF FINANCIAL INSTITUTION		

1		Securities Administrator
2	Approved by:	Presented by:
3	Approved by:  An Eller	Titel
5	Suzanne Sarason Chief of Compliance and	Tyler R. Letey Financial Legal Examiner
6	Examinations	
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