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

IN THE MATTER OF DETERMINING) Order No.: S-11-0662-12-SC01
whether there has been a violation of the)
Securities Act of Washington by:) STATEMENT OF CHARGES AND NOTICE
) OF INTENT TO ENTER ORDER TO CEASE AND
Blue Chip Focus Fund, LP;) DESIST, TO IMPOSE FINES, TO RECOVER
Opportunities Fund, LP;) COSTS, AND TO DENY FUTURE REGISTRATIONS
Biotechnology Fund, LP;)
Sasquatch US Strategy Fund, LP,)
f/k/a US Blue Chip Model, LP;)
Sasquatch Capital, LLC;)
Lyman Bruhn,)
Respondents.)

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STATEMENT OF CHARGES

11 Please take notice that the Securities Administrator of the State of Washington has reason to believe
12 that Respondents, Blue Chip Focus Fund, LP, Opportunities Fund, LP, Biotechnology Fund, LP, Sasquatch
13 US Strategy Fund, LP f/k/a US Blue Chip Model, LP and Lyman Bruhn, have each violated the Securities
14 Act of Washington and that their violations justify the entry of an order of the Securities Administrator
15 under RCW 21.20.390 against each to cease and desist from such violations and to charge costs, under
16 RCW 21.20.395 to impose a fine, and under RCW 21.20.110 to deny future registrations. The Securities
17 Administrator finds as follows:

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TENTATIVE FINDINGS OF FACT

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Respondents

21 1. Blue Chip Focus Fund, LP (“Focus Fund”) is an inactive Oregon limited partnership that maintained
22 a principal place of business in Portland, Oregon.

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1 2. Opportunities Fund, LP (“Opportunities Fund”) is an inactive Oregon limited partnership that
2 maintained a principal place of business in Portland, Oregon.

3 3. Biotechnology Fund, LP (“Biotech Fund”) is an inactive Oregon limited partnership that
4 maintained a principal place of business in Portland, Oregon.

5 4. Sasquatch US Strategy Fund, LP (“Sasquatch Fund”) is an inactive Oregon limited partnership that
6 was formerly known as US Blue Chip Model, LP and maintained a principal place of business in Portland,
7 Oregon.

8 5. Sasquatch Capital, LLC (“Sasquatch Capital”) is an inactive Oregon limited liability company
9 organized in 1999. Beginning no later than 2002, Sasquatch Capital maintained a place of business in
10 Vancouver, Washington. Sasquatch Capital acted as general partner of and provided investment advisory
11 services to the Respondents identified in paragraphs one through four of the Tentative Findings of Fact. For
12 this service, Sasquatch Capital collected fees consisting of a percentage of the market value of each
13 investor’s interest in a given fund. Between approximately January 2001 and December 2002, Sasquatch
14 Capital was registered as an investment adviser in the State of Washington.
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16 6. Lyman Bruhn (“Bruhn”) resided in Vancouver, Washington during the period relevant to this
17 Statement of Charges. Bruhn managed Sasquatch Capital. Bruhn previously filed an application to be
18 registered as an investment adviser representative. From 1988 through early 2000, Bruhn was registered as
19 a securities salesperson of several registered broker-dealers in the State of Washington. During the period
20 relevant to this Statement of Charges, however, Bruhn was not registered as a salesperson of any of the
21 Respondents identified in paragraphs one through four of the Tentative Findings of Fact, nor was Bruhn
22 registered as an investment adviser representative of Sasquatch Capital, LLC.
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Overview

7. Between approximately 1999 and 2004, Bruhn offered and sold at least \$349,000 worth of limited partnership interests in Blue Chip Focus Fund, LP, Opportunities Fund, LP, Biotechnology Fund, LP, and Sasquatch US Strategy Fund, LP to at least seven Washington residents. Beginning as early as June 2005 and continuing through at least 2011, Bruhn made lulling statements to Washington investors who sought to liquidate their investments. Bruhn failed to return funds to all of the Washington investors discussed below, and responded to liquidation requests with a variety of excuses for why he could not return their funds.

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Other Related Actions

8. On September 20, 2012, the Securities and Exchange Commission (“SEC”) filed a civil action in United States District Court for the District of Oregon against Bruhn and two of his advisory entities, Sasquatch Capital, LLC and Pearl Asset Management, LLC, for violations of the federal securities laws. *Sec. & Exchange Comm’n v. Bruhn, Sasquatch Capital, LLC, and Pearl Asset Management, LLC*, No 3:12-CV-01697-ST (D. Ore.) Bruhn and his advisory entities agreed to settle the action, and consented to a permanent injunction, which was entered on September 24, 2012. On October 23, 2012, the SEC entered an administrative order barring Bruhn from associating with any investment adviser, broker, or dealer. *Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions*, Administrative Proceeding File No. 3-15074 (“SEC Order”).

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Nature of the Offerings

Investor A

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1 9. Investor A is seventy years old, retired, and a financially unsophisticated investor. Bruhn and
2 Investor A first met more than a decade ago through Investor A's mother who was Bruhn's advisory
3 customer when Bruhn worked for Prudential.

4 10. In approximately 2004, Bruhn approached Investor A and proposed that Investor A purchase an
5 interest in the Focus Fund. Bruhn told Investor A that the minimum investment in the Focus Fund was
6 \$100,000, but that Bruhn would, as a personal favor, allow Investor A to join the fund by rolling over
7 \$46,000 that Investor A had in an IRA. This sum represented nearly all of Investor A's retirement savings.

8 11. Bruhn orally represented to Investor A that the Focus Fund followed a conservative, low-risk
9 investment strategy, and that the Focus Fund held twenty large-cap companies with market valuation in
10 excess of \$50 billion. In fact, the Focus Fund held no publicly traded securities and held only private
11 securities.

12 12. Investor A signed a limited partnership agreement but did not receive a private placement
13 memorandum ("PPM") for his investment in the Focus Fund.

14 13. Between approximately 2005 and June 2010, Investor A received misleading quarterly account
15 statements from Bruhn. These account statements provided a specific "unit value" for Investor A's interest
16 in the Focus Fund. At least one statement claimed that the Fund outperformed leading indexes, such as the
17 S&P 500 and NASDAQ Biotechnology Index. The Respondents failed to disclose material information
18 regarding the calculation of the investor's unit value, the methodology regarding the valuation of the Fund's
19 assets (including its private securities), and how the performance figures were calculated.
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1 14. In or around the summer of 2010, Investor A began attempting to extricate his funds from Bruhn's
2 control. In response, Bruhn provided, and Investor A executed, documents to facilitate the liquidation of
3 Investor A's interest in the Focus Fund.

4 15. In May 2011, Bruhn sent Investor a letter stating that Bruhn would provide Investor A an estimate of
5 when Investor A should expect to receive his funds. As of the date of this order, Investor A has recouped
6 none of his investment in the Focus Fund.

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9 *Investor B*

10 16. Investor B is retired and a financially unsophisticated investor who has known Bruhn for over a
11 decade. In 1999, Investor B invested \$140,000 in Sasquatch Fund, then known as US Blue Chip Model, LP,
12 at Bruhn's suggestion after Bruhn presented the Sasquatch Fund as a low-risk investment. This sum
13 represented all of Investor B's retirement savings.

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15 17. Investor B signed Sasquatch Fund's limited partnership agreement and received the fund's PPM.
16 The PPM stated that the fund's investment objective was to achieve capital appreciation through investing
17 in securities of publicly traded companies and options on such securities.

18 18. Shortly after Investor B's investment in the Sasquatch Fund, Bruhn's high-risk Biotech Fund began
19 losing value. Bruhn merged the Biotech Fund with his medium-risk Opportunities Fund. When this
20 combination lost value, Bruhn merged it with Sasquatch Fund, and sold all of the publicly traded stocks held
21 by the Sasquatch Fund. The combined fund invested in an unsuccessful nickel mine in Quebec.

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1 19. Sasquatch Fund's PPM did not disclose the risk that this combination of funds may occur, nor did
2 Bruhn discuss such a combination with Investor B prior to receiving his investment funds. Moreover, the
3 limited partnership agreement did not authorize such a combination.

4 20. Sasquatch Fund's PPM did not disclose the risk that the fund might sell all of the publicly traded
5 stocks it held, nor did Bruhn discuss such a sell off with Investor B prior to receiving his investment funds.
6 The PPM also did not disclose that the fund might make an investment such as the Quebec nickel mine
7 investment discussed above, nor did Bruhn discuss such an investment with Investor B prior to receiving his
8 investment funds.

9 21. Beginning in early 2010, Investor B made numerous requests to Bruhn to have his investment funds
10 returned. Each time, Bruhn attributed his inability to return the investment funds to factors beyond Bruhn's
11 control such as foreign banking regulations. Bruhn last responded to Investor B in the spring of 2011. As of
12 the date of this order, Investor B has recouped none of his investment in Sasquatch Fund.
13

14 *Investor C*

15 22. Investor C is a retired couple who qualified as accredited investors. Prior to investing with Bruhn,
16 Investor C had relied entirely on investment professionals in making investment decisions.

17 23. In January 2000, Investor C was invited to a seminar at which Bruhn and others promoted investing
18 in Bruhn's funds. At the seminar, Bruhn promoted biotechnology as a lucrative industry ripe for
19 investment. Bruhn represented that he anticipated thirty percent growth in the biotechnology sector.

20 24. Prompted by this seminar, Investor C purchased \$20,000 worth of Opportunities Fund's limited
21 partnership interests in January 2000 and an additional \$79,000 worth in December 2000. Prior to investing,
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1 Investor C received Opportunities Fund's "Subscription Booklet" consisting of a subscription agreement, a
2 power of attorney, and various appendices.

3 25. Investor C did not receive a PPM for Opportunities Fund. Prior to receiving Investor C's investment
4 funds, Bruhn did not disclose the basis and assumptions for his financial projections regarding the
5 biotechnology sector. Bruhn also did not disclose the risk that he would merge the Opportunities Fund with
6 other funds, or the fact that he might invest in a Quebec nickel mine.

7 26. Between approximately March 2001 and March 2005, Bruhn and Sasquatch Capital sent misleading
8 quarterly account statements to Investor C. These account statements provided a specific value for Investor
9 C's interest in the Opportunities Fund, without any disclosure regarding how that value was determined.
10 Furthermore, these account statements failed to disclose the fact that the Opportunities Fund had been
11 merged with other funds, as discussed above.

12 27. In or around March 2002, Bruhn and Sasquatch Capital sent Investor C a document entitled
13 "Representative Holdings" along with Investor C's quarterly statement. This document misleadingly
14 presented the Sasquatch Fund, the Biotech Fund, and the Opportunities Fund as separate entities, and
15 represented that each fund held a unique list of publicly traded securities. By this time, however, Bruhn had
16 already merged these funds and the resulting combination held only private securities.
17

18 28. In or around January 2003, Bruhn and Sasquatch Capital sent Investor C an annual report, which
19 represented that the Opportunities Fund had outperformed the NASDAQ Composite Index. In or around
20 March 2003, Bruhn and Sasquatch Capital sent Investor C a document entitled "Q1- 2003 Current Portfolio
21 Candidates" with Investor C's quarterly statement, which continued to misleadingly depict the Sasquatch
22 Fund, the Biotech Fund, and the Opportunities Fund as separate entities that held publicly traded securities.
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1 The quarterly statement also represented that the Opportunities Fund had outperformed leading indexes,
2 such as the Dow Jones Industrial Average and the S&P 500. In both the annual report and the quarterly
3 statement, the Respondents failed to disclose material information regarding the valuation methodology
4 regarding the Fund's assets (including its private securities), and how the performance figures were
5 calculated.

6 29. In June 2005, Investor C requested liquidation of their position in the Opportunities Fund. Bruhn
7 presented Investor C with a purported confirmation of the liquidation. However, as of the date of this order,
8 Investor C has recouped none of their investment in the Opportunities Fund.

9 *Investor D*

10 30. Investor D is a seventy-three year old widow who invested with Bruhn with her husband prior to her
11 husband's death. Neither Investor D, nor her late husband, was a financially sophisticated or accredited
12 investor.

13 31. Bruhn became acquainted with Investor D in approximately 1990 when Bruhn provided insurance
14 services to her and her late husband. Investor D and her husband maintained their relationship with Bruhn as
15 he moved between firms during the 1990s. In either the late 1990s or early 2000s, Bruhn proposed
16 investment in the Sasquatch Fund to Investor D and her husband as a convenient way to manage their IRAs
17 and earn income. The couple invested all of the money in their IRAs in the Sasquatch Fund at Bruhn's
18 suggestion.

19 32. Investor D and her husband signed Sasquatch Fund's limited partnership agreement and received the
20 fund's PPM. The PPM stated that Sasquatch Fund's investment objective was to achieve capital
21 appreciation through investing in securities of publicly traded companies and options on such securities.
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1 33. The PPM and Bruhn did not disclose the risk that the Sasquatch Fund would be merged with other
2 Bruhn funds or the fact that the fund would invest in a Quebec nickel mine, as discussed above. Further,
3 Sasquatch Fund's PPM did not disclose the risk that the fund may sell all of the publicly traded stocks it
4 held, nor did Bruhn discuss such a sell off with Investor D and her husband prior to receiving their
5 investment funds.

6 34. After her husband died, Investor D made multiple attempts to liquidate her position in the Sasquatch
7 Fund. Bruhn answered each attempt with an excuse for why he could not return Investor D's funds. As of
8 the date of this order, Investor D has recouped none of her investment in the Sasquatch Fund.

9 *Investor E*

10 35. Investor E is a non-accredited investor with little or no investment experience prior to investing in
11 Bruhn's funds. Investor E's relationship with Bruhn began in approximately 1991 when Bruhn began
12 advising him on investments.

13 36. In approximately 2001, Bruhn contacted Investor E to propose investment in Bruhn's funds. Bruhn
14 represented that his funds emphasized growth. In April 2001, Investor E purchased \$35,000 worth of limited
15 partnership interests in the Biotech Fund and \$29,000 worth of interests in the Sasquatch Fund.
16

17 37. Investor E signed limited partnership agreements for their investment in the Biotech Fund and the
18 Sasquatch Fund, but did not receive a PPM for either investment.

19 38. Bruhn did not disclose the risk that Biotech Fund or Sasquatch Fund could be merged with other
20 Bruhn funds, as discussed above, or that such a combined fund might make an investment such as the
21 purchase of the Quebec nickel mine discussed above. Moreover, Bruhn did not disclose the risk that
22 Sasquatch Fund may sell all of the publicly traded stocks it held, as discussed above.
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1 39. In April 2008, Investor E informed Bruhn that he wished to liquidate his interests in both the Biotech
2 Fund and the Sasquatch Fund. In May 2008, Investor E signed and returned to Bruhn forms intended to
3 facilitate the return of Investor E's funds. Upon receiving these forms, Bruhn told Investor E that he would
4 receive his funds shortly. As of the date of this order, Investor E has recouped none of his investment in
5 either the Biotech Fund or the Sasquatch Fund.

6 Registration Status

7 40. Blue Chip Focus Fund, LP is not currently registered to sell its securities in the State of Washington,
8 has not previously been so registered, and has not filed a claim of exemption from registration.

9 41. Opportunities Fund, LP is not currently registered to sell its securities in the State of Washington,
10 has not previously been so registered, and has not filed a claim of exemption from registration.

11 42. Biotechnology Fund, LP is not currently registered to sell its securities in the State of Washington,
12 has not previously been so registered, and has not filed a claim of exemption from registration.

13 43. Sasquatch US Strategy Fund, LP, f/k/a US Blue Chip Model, LP, is not currently registered to sell its
14 securities in the State of Washington, has not previously been so registered, and has not filed a claim of
15 exemption from registration.
16

17 44. Sasquatch Capital, LLC is not currently registered as an investment adviser in the State of
18 Washington. It was previously registered as an investment adviser in the State of Washington between
19 approximately January 2001 and February 2002, when it withdrew its registration.

20 45. Lyman Bruhn is not currently registered as a securities salesperson or broker-dealer in the State of
21 Washington, and has not been registered as a securities salesperson since 2000. Lyman Bruhn is not
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1 currently registered as an investment adviser representative in the State of Washington and was not so
2 registered during the period relevant to this Statement of Charges.

3 CONCLUSIONS OF LAW

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

5 1. The offer or sale of limited partnership interests as described above constitutes the offer
6 and/or sale of a security as defined in RCW 21.20.005(14) and (17).

7 2. The offer or sale of said securities was in violation of RCW 21.20.140 because no
8 registration for such offer and/or sale is on file with the Securities Administrator.

9 3. Lyman Bruhn has violated RCW 21.20.040 by offering and/or selling said securities while
10 not registered as a securities salesperson or broker-dealer in the State of Washington and by conducting
11 business in Washington as an investment adviser representative while not registered to do so. Such conduct
12 is a ground, pursuant to RCW 21.20.110(1)(b), to deny any securities salesperson, investment adviser
13 representative, or investment adviser registrations that Lyman Bruhn may seek in the future.

14 4. Sasquatch Capital, LLC has violated RCW 21.20.040 by conducting business in Washington
15 as an investment adviser while not registered to do so. Such conduct is a ground, pursuant to RCW
16 21.20.110(1)(b), to deny any investment adviser registration Sasquatch Capital, LLC may seek in the future.

17 5. The offer and/or sale of said securities was made in violation of RCW 21.20.010 because
18 Respondents made untrue statements of material facts or omitted material facts necessary in order to make
19 the statements made, in light of the circumstances under which they are made, not misleading. Such conduct
20 is a ground, pursuant to RCW 21.20.110(1)(b), to deny any securities salesperson, investment adviser
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1 representative, or investment adviser registrations that Lyman Bruhn may seek in the future and to deny any
2 investment adviser registration Sasquatch Capital, LLC may seek in the future.

3 6. Sasquatch Capital, LLC and Lyman Bruhn each violated RCW 21.20.020 by providing
4 misleading account statements, which operated as a fraud or deceit on their clients. Such conduct is a
5 ground, pursuant to RCW 21.20.110(1)(b), to deny any securities salesperson, investment adviser
6 representative, or investment adviser registrations that Lyman Bruhn may seek in the future and to deny any
7 investment adviser registration that Sasquatch Capital, LLC may seek in the future.

8 7. The entry of the permanent injunction against Lyman Bruhn and Sasquatch Capital, LLC;
9 and the SEC Order entered against Lyman Bruhn, barring him from association with a broker-dealer and
10 investment adviser, as discussed above in paragraph eight of the Tentative Findings of Fact, are grounds,
11 pursuant to RCW 21.20.110(1)(d) and (e), to deny any securities salesperson, investment adviser
12 representative, or investment adviser registrations that Lyman Bruhn may seek in the future, and to deny any
13 investment adviser registration that Sasquatch Capital, LLC may seek in the future.
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17 **NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST**

18 Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator
19 intends to order, pursuant to RCW 21.20.390(1), that Blue Chip Focus Fund, LP, Opportunities Fund, LP,
20 Biotechnology Fund, LP, Sasquatch US Strategy Fund, LP and their agents and employees each cease and
21 desist from violations of RCW 21.20.010 and 21.20.140, that Lyman Bruhn and his agents and employees
22 shall each cease and desist from violations of RCW 21.20.010, 21.20.020, 21.20.040, and 21.20.140, and
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1 that Sasquatch Capital, LLC and its agents and employees shall each cease and desist from violations of
2 RCW 21.20.010, 21.20.020, and 21.20.040.

3 **NOTICE OF INTENT TO IMPOSE FINES**

4 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,
5 the Securities Administrator intends to order that Blue Chip Focus Fund, LP, Opportunities Fund, LP,
6 Biotechnology Fund, LP, Sasquatch US Strategy Fund, LP, Sasquatch Capital, LLC, and Lyman Bruhn shall
7 be jointly and severally liable for and pay a fine of \$25,000.

8 **NOTICE OF INTENT TO RECOVER COSTS**

9 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,
10 the Securities Administrator intends to order that Blue Chip Focus Fund, LP, Opportunities Fund, LP,
11 Biotechnology Fund, LP, Sasquatch US Strategy Fund, LP, Sasquatch Capital, LLC and Lyman Bruhn shall
12 be jointly and severally liable for and shall pay investigative costs of not less than \$5,000.

13 **NOTICE OF INTENT TO DENY FUTURE REGISTRATIONS**

14 Pursuant to RCW 21.20.110, and based upon the above Tentative Findings of Fact and
15 Conclusions of Law, the Securities Administrator intends to deny any investment adviser registration that
16 Sasquatch Capital, LLC may seek in the future. Pursuant to RCW 21.20.110, and based upon the above
17 Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to deny any
18 investment adviser, investment adviser representative and securities salesperson registrations that Lyman
19 Bruhn may seek in the future.
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21 **AUTHORITY AND PROCEDURE**

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This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the provisions of RCW 34.05. The Respondents may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.

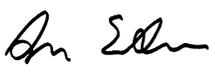
If a respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and enter an order to cease and desist permanent as to that respondent.

DATED AND ENTERED this 8th day of February 2013.



William M. Beatty
Securities Administrator

Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Edward R. Thunen
Enforcement Attorney

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Reviewed by:



Robert Kondrat
Financial Legal Examiner Supervisor

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