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

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IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Securities Act of the State
of Washington by:

GLOBAL DOMINION FINANCIAL SERVICES;
HULAMAN MANAGEMENT SERVICES;
CORNERSTONE INSTITUTE; CHARLES NOLON
BUSH; their employees and agents

Respondents.

S-99-051-03FO01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER
TO CEASE AND DESIST FOR HULAMAN
MANAGEMENT SERVICES, CORNERSTONE
INSTITUTE AND CHARLES NOLON BUSH

Case No. S-99-051

THE STATE OF WASHINGTON TO:

Hulaman Management Services
Cornerstone Institute
Charles Nolon Bush

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On February 24, 2003, the Securities Administrator of the State of Washington issued a Summary Order to Cease and Desist, S-99-051-03-SC01, herein referred to as the Summary Order, to Global Dominion Financial Services, Hulaman Management Services (“Hulaman”), Cornerstone Institute (“Cornerstone”) and Charles Nolon Bush (“Bush”).

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The Summary Order, together with a Notice Of Opportunity to Defend and Opportunity for Hearing (hereinafter referred to as “Notice of Opportunity for Hearing”) and an Application for Adjudicative Hearing (hereinafter referred to as “Application for Hearing”) for Hulaman, Cornerstone and Bush were served, via Certified Mail, at 9115 236th Street SW, Suite B, Edmonds, Washington 98026 on February 26, 2003. The address 9115 236th Street SW, Suite B, Edmonds, Washington 98026 is the address of Remedies At Law, which serves as the Registered Agent for Cornerstone. A Remedies At Law employee signed for the Certified Mail containing the Summary Order, Notice of Opportunity for Hearing and Application for Hearing for Hulaman, Cornerstone and Bush. Cornerstone is doing business as Hulaman and Bush is the director of Cornerstone and controls Hulaman. The Notice of Opportunity for

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1 Hearing advised Hulaman, Cornerstone and Bush that they had twenty days from the date they received the notice to
2 file a written application for an administrative hearing on the Summary Order.

3 Hulaman, Cornerstone and Bush did not return the Application for Hearing form to the Securities Division
4 within the 20 days specified on the Application.

5 The Securities Administrator therefore adopts as final the findings of fact and conclusions of law as set forth in
6 the Summary Order as they relate to Hulaman Management Services, Cornerstone Institute and Charles Nolon Bush.

7 **FINDINGS OF FACT**

8 **I. Respondents**

9 1. Global Dominion Financial Services (“GDFS”), an entity controlled by Charles Nolon Bush, is
10 purportedly in the business of offering investment services.

11 2. Hulaman Management Services (“Hulaman”), a business controlled by Charles Nolon Bush, is
12 purportedly in the business of offering investment services.

13 3. Cornerstone Institute (“Cornerstone”) is incorporated in Washington State and doing business as
14 Hulaman Management Services.

15 4. Charles Nolon Bush (“Bush”), a Washington resident, controls Global Dominion Financial Services,
16 Hulaman Management Services and is the Director of the Cornerstone Institute.

17 **II. Offering**

18 5. Beginning no later than June 1999 and continuing through at least May 2000, Bush, through GDFS,
19 Hulaman and Cornerstone carried out a scheme that defrauded at least 50 individuals of more than \$3,800,000. Bush,
20 through these entities, offered investors the opportunity to invest in an investment note trading program that would
21 enable an investor to earn as much as 300% return on a thirteen-month investment. At least three of the investors were
22 Washington residents at the time of their investment.

23 6. The investors learned of the investment opportunity through other investors or through agents of the
24 Respondents. Some investors, believing that they had discovered a very successful investment, told friends, family and

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1 fellow church members about the investment opportunity. This perceived success was based upon false reports of profit
2 provided to investors or the false representations of the Respondents and their agents as to the success of their
3 investments. These representations included both oral and written confirmation that their investment account balances
4 had increased significantly.

5 7. When a potential investor contacted an agent of the Respondents, the agent explained to the investor the
6 specifics of the investment, provided the necessary paperwork to the investor and gave instructions on how funds were to
7 be transferred to the Respondents. According to representations of the Respondents and their agents, investors in GDFS
8 were to receive a guaranteed return of 9% plus profit sharing on a thirteen-month investment and investors in Hulaman
9 were to receive a guaranteed return of 8% plus profit sharing on a thirteen-month investment. The profit sharing was
10 based upon the performance of the investments made by GDFS and Hulaman. Investors were initially told that their
11 investment funds were going to be used to trade Medium Term Notes. Investors were told that the Medium Term Notes
12 could be traded 6-12 times per year with a 25% rate of return on each trade. Additionally, the investors were told that
13 there would be an average of 8 trades per year. Based upon these projections, investors believed that they would receive
14 a rate of return on their thirteen-month investment of 150% to 300%.

15 8. According to the offering documents provided to investors, the investor was to establish a Limited
16 Liability Company (“LLC”) in Nevis with GDFS and the investor as co-managers. GDFS was to have authority to
17 manage the assets of the LLC. The investor would then loan funds, through the LLC, to an offshore credit union
18 established by GDFS. GDFS was then to use the loaned funds for investment purposes.

19 9. Investors had the option of either receiving profits in the form of periodic payments or to have the
20 profits reinvested by GDFS or Hulaman, so as to earn an even higher rate of return. Many investors elected to receive
21 the periodic payments, but when they received their first payment, they elected to have the future payments reinvested.
22 Some investors’ apprehension regarding the investment subsided after receiving the periodic payment and, as a result,
23 they invested additional funds. Periodic payments to investors ceased shortly after the initial payments were made to
24 them.

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1 10. GDFS established the website www.globaldominion.net that enabled investors to access their account
2 information via the Internet and to see their current investment balance. This website both helped to substantiate the
3 validity of the investment as well as convince investors that their investment was safe even after the Respondents ceased
4 making periodic payments to them. According to the GDFS website, at least two investors, who made a combined
5 investment of \$475,000 from November 1999 to February 2000, had combined account balances of over \$1,250,000.
6 Even though the GDFS website stated that these investors had an account balance of over \$1,250,000, they did not
7 receive their principal investment at the end of the 13-month investment period even after repeated requests.

8 11. According to documentation provided to the investors and communications with agents of Bush,
9 investors were told that they could withdraw their investment even before the end of the 13-month term so long as they
10 waited 90 days and were willing to forego a portion of their profits. Investor attempts to have the funds returned have
11 not been successful.

12 12. The Respondents told the investors that they had to establish the Nevis based LLC in order to participate
13 in the investment because the investment was not available to United States citizens. As a result, they needed to have an
14 entity that was established offshore in order to invest. For a fee of \$3,350, GDFS and attorney, Nigel Scott Grant of
15 Grant & Associates, would provide the required offshore entity. Investors purchased their LLCs at the same time they
16 made their investment.

17 13. As part of the scheme, Bush told investors that his objective in providing this investment service was not
18 to profit, but to provide charitable contributions through Hulaman Charities International and The From the Heart
19 Foundation.

20 III. Misrepresentations or Omissions in Connection with the Offering

21 14. Respondents failed to provide offerees/investors with a disclosure document containing material
22 information about the investment opportunity described above, including but not limited to risk factors of the
23 investment and financial statements of GDFS and Hulaman.

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1 15. Additionally, the offering literature provided to investors did not identify the following: the
2 experience and track record of the issuers; the basis that GDFS and Hulaman had for its claim that they would be able
3 to pay investors a 300% rate of return on a 13-month investment; the basis on which GDFS and Hulaman would be
4 able to guarantee a minimum rate of return of 8-9% on their investment; the basis on which GDFS and Hulaman
5 would be able to make period payments to investors; and the compensation Bush was to receive for providing the
6 investment.

7 16. The GDFS and Hulaman trading programs as described above purports to involve an investment in
8 the trading of financial instruments called Medium Term Notes that are issued or traded among major financial
9 institutions. Since 1993, the Federal Reserve Board, the Securities and Exchange Commission and other regulatory
10 agencies have alerted the public that such financial instrument trading programs and other similar schemes may be
11 fraudulent and often do not involve bona fide financial instruments or actual trading of securities. Respondents failed
12 to disclose these warnings to investors and did not provide investors with documentation of the existence of the so-
13 called financial instruments or trading programs.

14 IV. Registration Status

15 17. The offer and/or sale of securities by GDFS, Hulaman and Cornerstone are not registered under the
16 Securities Act of Washington nor has of the offers and/or sales previously been so registered.

17 18. Bush is not currently registered as a securities salesperson, investment adviser or broker-dealer in the
18 state of Washington and has not previously been so registered.

19 Based upon the foregoing Findings of Fact the following Conclusions of Law are made:

20 **CONCLUSIONS OF LAW**

21 I. Securities

22 19. The offer and/or sale of the investment opportunities described above constitutes the offer and/or sale of
23 a security as defined in RCW 21.20.005 (10) and (12).

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1 II. Anti-Fraud Provision

2 20. The offer and/or sale of said securities was made in violation of RCW 21.20.010 because, as set forth in
3 the Tentative Findings of Fact, the Respondents made misstatements of material fact or omitted to state material facts
4 necessary in order to make the statements made, in the light of the circumstances under which they were made, not
5 misleading.

6 III. Registration of Securities

7 21. The offer and/or sale of said securities is in violation of RCW 21.20.140, the registration section of the
8 Securities Act, because no registration for such offer and/or sale is on file with the Securities Administrator of the state of
9 Washington.

10 IV. Registration of Broker-Dealer and Salespersons

11 22. Respondent Charles Nolon Bush has violated RCW 21.20.040 by offering and/or selling said securities
12 while not being registered as a securities salesperson, investment advisor or broker-dealer in the state of Washington.

13 **ORDER**

14 Based upon the foregoing, IT IS THEREFORE HEREBY ORDERED that Respondents, Hulaman Management
15 Services, Cornerstone Institute, Charles Nolon Bush, their agents, and employees shall each cease and desist from
16 violating RCW 21.20.010, the anti-fraud section of the Securities Act.

17 It is further ORDERED that Respondents, Hulaman Management Services, Cornerstone Institute, their agents,
18 and employees shall each cease and desist from violating RCW 21.20.140, the securities registration section of the
19 Securities Act.

20 It is further ORDERED that Respondent, Charles Nolon Bush, his agents, and employees shall each cease and
21 desist from violating RCW 21.20.040, the securities broker-dealer, securities salesperson registration section of the
22 Securities Act.

23 This Order is entered pursuant to the provisions of RCW 21.20.390, and is subject to the provisions of Chapter
24 34.05 RCW, the Administrative Procedures Act.

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2 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

3 DATED this 18 day of April, 2003

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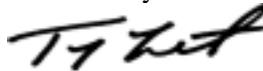
6 _____
7 DEBORAH R. BORTNER
8 Securities Administrator

9 Approved by:

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11 _____
12 Michael E. Stevenson
13 Chief of Enforcement

14 Presented by:

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16 _____
17 Tyler Letey
18 Staff Attorney

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