STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

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STATEMENT OF CHARGES AND NOTICE OF INTENTION TO ENTER ORDER TO CEASE AND DESIST

Case No. 98-03-68

Respondents.

IN THE MATTER OF determining

Securities Act of Washington by:

Whether there has been a violation of the

Peggy L. Maxwell and Lyle Hartford VanDyke, Jr.,

THE STATE OF WASHINGTON TO: Peggy L. Maxwell

Resource Economist

PO Box 52

Toledo, WA 98591

Lyle Hartford Van Dyke, Jr.

C/o The Hartford Van Dyke Public Wealth Rebate Bank/Trust

PO Box 3100

Battle Ground, WA 98604

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Peggy L. Maxwell and Lyle Hartford Van Dyke, Jr., 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 as follows:

TENTATIVE FINDINGS OF FACT

- 1. Peggy L. Maxwell ("Maxwell") purports to engage in raising venture capital.
- 2. Lyle Hartford Van Dyke, Jr. ("Van Dyke") purports to be the Executive Disbursement Trustee of the Hartford Van Dyke Public Wealth Rebate Bank/Trust ("Hartford Van Dyke Bank"), whose address is PO Box 3100,

Battle Ground, WA 98604.

STATEMENT OF CHARGES AND NOTICE OF 1

INTENTION TO ENTER ORDER TO CEASE AND

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

- 3. On or about August 1997 Maxwell entered into an agreement with L&L International LLC, ("L&L"), a real estate development company, under which Maxwell agreed to assist L&L in obtaining venture capital to finance real estate purchases.
- 4. On or about January 1998, following representations by Maxwell that she had successfully obtained venture capital financing for L&L, the L&L entered into an agreement with ITT Rayonier ("ITT") to purchase certain real estate in Grays Harbor County for \$16,000,000. On or about February 24, 1998 L&L discovered that Maxwell still had not delivered the promised financing when ITT advised L&L that it was preparing to re-market the property. On or about February 25, 1998, Maxwell represented to L&L that she had obtained the necessary interim financing, in the form of "bearer bonds" and that full financing was forthcoming.
- 5. On or about February 26, 1998, in order to persuade ITT to continue with the sale to L&L, Maxwell and Van Dyke presented a note in the amount of \$20,000,000 to Coast Title and Escrow, as security for the \$800,000 in earnest money due to ITT. The note was issued by the Hartford Van Dyke Bank and was made payable to L&L International with Maxwell the trustee for the Payee and was endorsed by Van Dyke as Executive Disbursement Trustee, and by Maxwell on behalf of the Payee.
- 6. The note, falsely claimed that it was issued on the assets of the United States of America and that it was redeemable at the United States Treasury or any F.D.I.C. insured bank.
- 7. The note falsely claimed that it was secured by Federal District Court case No. CR96-500C, a criminal case to which neither Van Dyke nor Maxwell was a party.
- 8. Van Dyke and Maxwell failed to advise L&L, ITT and Coast Title and Escrow that The Hartford Van Dyke Public Wealth Rebate Bank/Trust is not incorporated under the banking laws of the State of Washington, and does not have approval from the State of Washington, Department of Financial Institutions, Division of Banks, to use the designation "bank" in its name, as required by state law.

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

CONCLUSIONS OF LAW

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1. Respondents Maxwell and Van Dyke have violated RCW 21.20.010 by making untrue statements of

The offer and/or sale of Action described above constitute the offer and/or sale of a security as defined in RCW

material fact and/or omitting material facts necessary in order to make the statements made, in light of the circumstances under which they were made not misleading in connection with the offer, sale or purchase of securities; and by engaging in acts, practices, and/or a course of business which operated as a fraud and deceit upon investors in connection with the offer, sale or purchase of securities.

NOTICE OF INTENTION TO ORDER THE RESPONDENT TO CEASE AND DESIST

Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that the respondents, their agents, and employees each permanently cease and desist from violations of RCW 21.20.010.

AUTHORITY AND PROCEDURE

This STATEMENT OF CHARGES AND NOTICE OF INTENTION TO ENTER ORDER TO CEASE AND DESIST is entered pursuant to the provisions of RCW 21.20.390, and is subject to the provisions of ch. 34.05 RCW. The Respondents, Maxwell and VanDyke, 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 Respondents do not make written requests for hearings in accordance with the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING, the Securities Administrator will enter a final order in accordance with the FINDINGS OF FACT AND CONCLUSIONS OF LAW AND NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST.

STATEMENT OF CHARGES AND NOTICE OF 3 INTENTION TO ENTER ORDER TO CEASE AND DESIST DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

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3			DEBORAH R. B Securities Admin	
4			Presented by:	
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6	Approved by:		Securities Exami	Kristina L. Kneip Securities Examiner
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8	Michael E. Stevenson			
9	Chief of Compliance			
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