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2	STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION		
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4	IN THE MATTER OF determining Whether there has been a violation of the	SDO - 99 – 78	
5	Securities Act of Washington by:	STATEMENT OF CHARGES AND NOTICE OF INTENTION TO ENTER ORDER TO	
6	Dale James Bjornberg	CEASE AND DESIST	
7	Respondent.	Case No. 99-10-304	
8			
9	THE STATE OF WASHINGTON TO: Dales James Bjornberg 129 North 300 East		
10	Malad, Idaho 83		
11	STATEMENT OF CHARGES		
12			
13	Please take notice that the Securities Administrator of the State of Washington has reason to believe that		
14	Respondent, Dale James Bjornberg ("Bjornberg") has violated the Securities Act of Washington and that its violations		
15	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:		
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17	TENTATIVE FINDINGS OF FACT		
18	RESPONDENT		
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20 21	1. On or about December 22, 1998, Bjornberg signed a Fee of Success Agreement ("FSA") with Tim		
22	McCormick ("McCormick"), President of Castlerock Investment Group, Ltd., based in Chattanooga, Tennessee. Under		
23	the terms of the FSA, Bjornberg agreed to introduce investors to Castlerock in exchange for a one time fee of \$500,000		
24	for each \$100,000,000 invested.		
25	STATEMENT OF CHARGES AND NOTICE OF 1 INTENTION TO ENTER ORDER TO CEASE AND	Securities Division	
26	PO Box DESIST PO Box Olympia, WA 98507-		
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2. On or about February 27, 1999, Bjornberg signed a second FSA with Castlerock. Under the terms of this FSA, Bjornberg agreed to introduce investors to Castlerock in exchange for a payment of twenty-five percent (25%) of the paid out amount for each individual investor.

3. On or about August 16, 1999, Bjornberg signed a Lead Broker Referral Agreement ("LBRA") with McCormick and Castlerock. Under the terms of the LBRA, Bjornberg agreed to introduce investors to Castlerock in exchange for 5% of Castlerock's net profits.

4. Bjornberg is not registered with the State of Washington as a securities broker-dealer, securities salesperson, investment adviser or investment adviser representative and has not previously been so registered.

NATURE OF BJORNBERG'S CONDUCT AND CASTLEROCK

5. On or about December 22, 1999 and continuing through February 18, 1999, Bjornberg introduced six Washington residents to Castlerock for the purpose of making an investment with Castlerock, through McCormick, its President.

6. Bjornberg assisted the Washington residents in obtaining offering material for the Castlerock/IFR, an offshore trust.

7. The Castlerock/IFR Trust offering material represented that investors would receive a \$1,000,000
million dollar return for each \$5,000 invested, over the course of a 55 month period. Investors' funds were to be pooled
and then traded by agents of Castlerock. The offering material also stated that the investment was guaranteed by an 8%
note, issued by Castlerock.

8. The investment, as described in paragraph 7, was not registered with the State of Washington nor was it exempt from such registration.

9. Neither Castlerock nor McCormick was registered with the State of Washington as a securities broker dealer, securities salesperson, investment adviser, investment adviser representative or issuer and have not previously
 been so registered.

STATEMENT OF CHARGES AND NOTICE OF 2
 INTENTION TO ENTER ORDER TO CEASE AND DESIST
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DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

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10. On or about August 23, 1999, the State of Utah issued a Warrant of Arrest for McCormick on counts of securities fraud, sale of unregistered securities and sale by an unlicensed broker/dealer or agent. Those counts arose from activities related to the investment described in paragraph 7, above.

11. On or about September 17, 1999, the Tennessee Department of Commerce and Insurance entered into an Agreement of Temporary Injunction against McCormick and Castlerock. The injunction arose from a verified complaint filed by Tennessee alleging securities fraud in the offer and sale of the investment described in paragraph 7, above.

12. The Securities Administrator finds that continued business transactions, in the State of Washington, by Bjornberg presents a threat to the investing public.

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

## CONCLUSIONS OF LAW

The offer and/or sale of the interests in the trust described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12), to wit: an investment contract.

Bjornberg has violated RCW 21.20.040 by offering and/or selling said securities while not registered as a securities salesperson, broker-dealer, investment adviser or investment adviser representative in the State of Washington. Bjornberg has violated RCW 21.20.140 by offering and/or selling securities that were not registered with the State of Washington nor exempted from such registration.

## 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 Respondent permanently cease and desist from violations of RCW 21.040 and 21.20.140.

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

## AUTHORITY AND PROCEDURE

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3	This STATEMENT OF CHARGES AND NOTICE OF INTENTION TO ENTER ORDER TO CEASE AND		
4	DESIST is entered pursuant to the provisions of RCW 21.20.390 and is subject to the provisions of ch. 34.05 RCW. The		
5	Respondent, Bjornberg, may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO		
6	DEFEND AND OPPORTUNITY FOR HEARING accompanying this order. If Respondent does not make a written		
7	request for a hearing in accordance with the Notice of Opportunity to Defend and Opportunity for Hearing, the Securities		
8	Administrator will enter a final order in accordance with the Findings of Fact and Conclusions of Law and Notice of		
9	Intention to Order Respondent to Cease and Desist, as set forth above.		
10	DATED this day of December 1999.		
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13	DEBORAH R. BORTNER Securities Administrator		
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16	Presented by:		
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18	Kristina L. Kneip Securities Examiner		
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20	Approved by:		
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23	Michael E. Stevenson Chief of Compliance		
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25	STATEMENT OF CHARGES AND NOTICE OF 4DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033		
26	DESIST Olympia, WA 98507-9033 360-902-8760		
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24	STATEMENT OF CHARGES AND NOTICE OF 5 DEPARTMENT OF FINANCIAL INSTITUTIONS	
25	INTENTION TO ENTER ORDER TO CEASE AND Securities Division PO Box 9033	
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