# STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

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

Pan American Global Group, Inc.; Peter Pintarics; Hampton Bond Program; Hampton, Broadstone & Oliver, Inc.; and Patrick Pogue;

Respondents

SDO - 104 - 01

SUMMARY ORDER TO CEASE AND DESIST AND REVOKING EXEMPTIONS

Case No. 00-03-94

THE STATE OF WASHINGTON TO: Peter Pintarics

Pan American Global Group, Inc. The Rainier Plaza Ste 2370 777 NE 108<sup>th</sup> Ave Bellevue, WA 98004

**Hampton Bond Program** 

Patrick Pogue Hampton, Broadstone & Oliver, Inc. 7912 E 31<sup>st</sup> Ct Ste 100 Tulsa, OK 74145

### STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Pan American Global Group, Inc.; Peter Pintarics; Hampton Bond Program; Hampton, Broadstone & Oliver, Inc.; and Patrick Pogue 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 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents 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 Administrator finds as follows:

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### TENTATIVE FINDINGS OF FACT

I.

Pan American Global Group, Inc. is a Washington corporation with its principal place of business at Rainier Plaza Ste 2370, 777 NE 108<sup>th</sup> Avenue, Bellevue, WA 98004. Pan American Global Group, Inc. previously maintained offices in Redmond and before that in Duvall. Pan American Global Group, Inc. maintained a website at www.panamglobal.com from December 1997 through at least September 25, 2001.

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Peter Pintarics is President of Pan American Global Group, Inc.

III.

Hampton, Broadstone & Oliver, Inc. is an Oklahoma business entity with its principal office at 7912 E 31<sup>st</sup> Ct Suite 100, Tulsa, OK 74145. Hampton, Broadstone, & Oliver, Inc. maintained a website <a href="www.financr.com">www.financr.com</a> from December 20, 1996 through at least July 20, 2001.

IV.

Pan American Global Group, Inc. represented that it arranged for funding of business projects by linking businesses with venture capital firms, private investors, and investment banking firms. It advertised its services on its website. It also provided services to clients face to face at its offices. One financing program Pan American Global Group, Inc. offered was Hampton Bond Program of Hampton, Broadstone & Oliver, Inc. Peter Pintarics, on behalf of Pan American Global Group, Inc.; represented that Hampton Bond Program was a self-liquidating corporate bond program, which allows companies to raise \$5 million to \$50 million. In addition to paying for the loan, the program also provided bonus income for four years. Hampton, Broadstone & Oliver, Inc. represented that its program was designed by an attorney/certified public accountant/investment banker, was copyrighted in 1997, and is registered with the United States government. Hampton, Broadstone & Oliver, Inc. arranges for the sale of convertible debenture bonds, then places the sales proceeds with a trust pursuant to an indenture. The trustee used some of the proceeds to buy United States Treasury bonds. Those

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Treasury bonds would guarantee that principal and interest on the bonds issued through the Hampton program were paid. In fact, there is no such thing as a self-liquidating loan.

In order to use Hampton Bond Program, the company would be required to pay a \$50,000 licensing fee and an additional \$35,000 for other fees to Pan American Global Group, Inc. The company might also have to pay \$5,000 to \$20,000 in legal fees and filing fees. Those fees could be paid either through third parties or through Pan American Global Group, Inc.

Pintarics and Pan American Group, Inc. represented that only one applicant for a loan through the program had been denied and that applicant had proposed to purchase a house of prostitution. They represented that the program could be used for all legal purposes, that billions of dollars are sold each month, that there are hundreds of buyers, and that if a client fully cooperates the program will be successful and the client will get the funds it needs. Pintarics, Pogue, and agents or employees of Pan American Global Group, Inc. repeatedly told purchasers that their loans would be funded if they provided additional information or documentation. Contrary to these representations, in reality, no loans were funded through the program.

V.

From May 1999 through late September 2000, Pan American Global Group, Inc. sold at least four customers Hampton Bond Program. It took in at least \$375,000 from those customers, two of whom were Washington residents. Pan American Global Group, Inc. may have received as much as \$560,000 in additional sales from more than eight other investors. Some of those purchases were from customers in foreign countries. Foreign investors were required to set up Washington corporations and to give a portion of the stock in those corporations to Pan American Global Group, Inc. or Pintarics. Pan American Global Group, Inc. transferred a portion of the funds it received from customers to Hampton, Broadstone & Oliver, Inc.

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VI.

Neither Pan American Global Group, Inc. nor Hampton, Broadstone& Oliver, Inc. nor Hampton Bond Program is currently registered to sell its securities in the state of Washington and none has previously been so registered.

VII.

Peter Pintarics is not currently registered as a securities salesperson or broker-dealer in the state of Washington and has not previously been so registered.

VIII.

Pan American Global Group, Inc. is not currently registered as a broker-dealer in the state of Washington and has not previously been so registered.

IX.

The Securities Administrator finds that the continued offering of Hampton Bond Program in the manner described in Tentative Finding of Fact IV 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

I.

The offer and/or sale of Hampton Bond Program described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12).

II.

The offer and/or sale of said securities is in violation of RCW 21.20.140 because no registration or notification of claim of exemption for such offer and/or sale is on file with the Administrator of Securities, state of Washington and it appears that the respondent does not otherwise qualify for an exemption from registration.

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Peter Pintarics has violated RCW 21.20.040 by offering and/or selling said securities while not registered as a securities salesperson or broker-dealer in the state of Washington. IV.

Pan American Global Group, Inc. has violated RCW 21.20.040 by offering and/or selling said securities while not registered as a broker-dealer in the state of Washington.

V

The offer and/or sale of said securities was made in violation of RCW 21.20.010 because offerees were that paying the upfront fees for the program would result in the funding of a self-liquidating loan to their companies when no loans were funded and there is no such thing as a self-liquidating loan.

VI.

The Securities Administrator finds that an emergency exists, that the continued violations of RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140, as evidenced by the recent Internet solicitations, constitutes a threat to the investing public, and that a summary order to cease and desist from those violations is in the public interest and necessary for the protection of the investing public.

## **SUMMARY**

Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED That Pan American Global Group, Inc.; Peter Pintarics; Hampton, Broadstone & Oliver, Inc.; Hampton Bond Program; Patrick Pogue; their agents and employees each cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.140, the section of the Securities Act of Washington requiring registration.

It is further SUMMARILY ORDERED that respondents, their agents, and employees each cease and desist from violation of RCW 21.20.010, the anti-fraud section of the Securities Act.

It is further SUMMARILY ORDERED that Peter Pintarics cease and desist from acting as a securities salesperson or broker-dealer and that Pan American Global Group, Inc. cease and desist from acting as a broker-dealer in violation of RCW 21.20.040.

## **AUTHORITY AND PROCEDURE**

This Order is entered pursuant to the provisions of RCW 21.20.390 and is subject to the provisions of Chapter 34.05 RCW. The respondents, Pan American Global Group, Inc.; Peter Pintarics; Hampton, Broadstone & Oliver, Inc.; The Hampton Bond Program; and Patrick Pogue 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 make the summary order to cease and desist

permanent as to that respondent.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

DATED this 13th day of December, 2001.

DEBORAH R. BORTNER Securities Administrator

Senior Enforcement Attorney

Debarb R Borner

Approved By:

Michael E. Stevenson

Suzanne E. Sarason

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Chief of Compliance

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