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**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:

Order No. S-21-3236-24-CO01

CONSENT ORDER

DEZH Handyman;
Soroosh Shafaeian,
Respondents.

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INTRODUCTION

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On August 4, 2023, the Securities Administrator of the Securities Division of the Department of Financial Institutions (“Securities Division”) issued a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, Impose a Fine, and Charge Costs (“Statement of Charges”), S-21-3236-23-SC01, against DEZH Handyman and Soroosh Shafaeian. Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division and DEZH Handyman and Soroosh Shafaeian hereby enter into this Consent Order in settlement of the matters alleged in the Statement of Charges. DEZH Handyman and Soroosh Shafaeian admit to the Findings of Fact and Conclusions of Law as set forth below.

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FINDINGS OF FACT

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Respondents

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1. DEZH Handyman (“DEZH”) was a Washington sole proprietorship with its principal place of business in Everett, Washington. DEZH was formed on October 1, 2019, and closed on June 30, 2021. DEZH was purportedly in the business of “flipping” houses.¹

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2. Soroosh Shafaeian (“Shafaeian”), a Washington resident, was the sole proprietor of DEZH.

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¹ “Flipping” houses is a real estate investment strategy that involves buying homes, renovating them, and then selling them for a profit.

1 **Related Entities**

2 3. Apennine Event LLC (“Apennine”) was a Washington limited liability company with its
3 principal place of business in Bothell, Washington. Apennine, which formerly operated under the business
4 name Apennine Consulting LLC, was formed on November 28, 2018, and dissolved on December 23, 2021.
5 Apennine was in the event planning business.

6 4. Mehrshad Showghi (“Showghi”), a Washington resident, founded and managed Apennine.

7 **Nature of the Conduct**

8 *Overview*

9 5. From approximately 2018 to 2020, Shafaeian offered and sold unregistered and nonexempt
10 securities. Shafaeian secured or attempted to secure up-front payments from investors by telling them that
11 these payments were necessary to help him obtain a loan for DEZH. Shafaeian informed investors that after
12 he obtained the loan, he would pay them back and provide them with an additional benefit. In some cases, he
13 promised to pay investors back with interest. In others, he promised to let them share in the profits of his
14 business. Two Washington residents and one California resident invested at least \$154,000 with Shafaeian
15 and DEZH; three Washington residents were offered the chance to invest and declined. All investors and
16 offerees had a relationship with Shafaeian prior to being enticed to invest. Several investors and offerees knew
17 him through the Baha’i religious community. At least two of the investors were not accredited investors.

18 **Investors A and B**

19 6. Between 2019 and 2020, Shafaeian informed two investors, Investors A and B, that he was
20 raising money for collateral to secure a \$1 million construction loan for DEZH. He explained to them that
21 DEZH was in the business of “flipping” homes.

1 7. Investor A is a California resident who knew Shafaeian for at least 9 years prior to investing.
2 Investor B is a Washington resident and Shafaeian’s former roommate. Investor B was, like Shafaeian, a
3 member of the Baha’i religious community. Investor B was not an accredited investor.

4 8. Shafaeian told Investors A and B that if their investments helped DEZH secure the loan, they
5 would have the opportunity to be a partner with him at DEZH. As his partner, they would share in the profits
6 of the company. Shafaeian represented that the investment would be free of risk, telling both investors that if
7 he failed to secure the loan, their money would be returned.

8 9. Shafaeian informed Investors A and B that he would be personally involved in renovating the
9 homes, and represented to Investor A that he had significant experience doing so. He told Investor A he had
10 already flipped at least 5 houses.

11 10. In or around July 2019, Investor A invested with DEZH by transferring \$62,500 to Shafaeian’s
12 personal bank account. In or around August 2019, he invested more money with DEZH by allowing Shafaeian
13 to charge \$28,500 to three of his credit cards.

14 11. In or around May 2020, Investor B invested \$32,000 with DEZH. He transferred the funds to
15 Shafaeian’s personal bank account.

16 12. Shafaeian did not secure the construction loan. When Investor A asked Shafaeian to return his
17 investment, Shafaeian told him that he was unable to do so because the IRS had frozen his bank account.
18 Investor B had a similar experience. Shafaeian told him that he could not return his investment because he
19 had accidentally transferred the money to a business partner and could no longer access the funds.

20 13. Shafaeian used approximately \$6,000 of Investor A’s investment and \$5,800 of Investor B’s
21 investment to pay down his personal credit cards. He transferred approximately \$51,500 of Investor A’s
22 investment to Apennine and approximately \$1,300 of his investment to a representative of Apennine. He also
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1 transferred approximately \$25,500 of Investor B's investment to Apennine. Neither Apennine nor the
2 representative used the funds in a way that that was connected to the purposes of DEZH's business.

3 14. In or around 2023, Shafaeian refunded Investor B's entire investment. There is no indication
4 that Investor A received a return on his investment or had his investment refunded.

5 **Investor C**

6 15. In or around 2019, Shafaeian told Investor C that he was raising money to secure a \$1 million
7 construction loan. Shafaeian informed Investor C that if she provided him with the money to obtain the
8 construction loan, he would pay her back in full, provide her with rent-free housing, and offer her a job.

9 16. Shafaeian represented to Investor C that the investment would be free of risk. He told her that
10 if he could not secure the construction loan, he would return her money.

11 17. Investor C is a Washington resident and a member of the Baha'i religious community. She
12 knew Shafaeian for at approximately 5 years prior to investing. She was not an accredited investor.

13 18. To help Shafaeian secure the construction loan, Investor C opened 4 credit cards. She provided
14 the credit cards to Shafaeian, and Shafaeian provided the credit cards to Showghi.

15 19. Showghi and Apennine charged at least \$29,000 to Investor C's credit cards. The credit cards
16 were not used in a way that was connected to the purposes of DEZH's business.

17 20. Shafaeian did not provide Investor C with any indication of whether he secured the
18 construction loan.

19 21. Investor C received no return on her investment and her investment was not refunded. Investor
20 C's credit card accounts have been sent to debt collection agencies because she does not have the funds to pay
21 off the charges that Shafaeian made to the cards or the interest that has accumulated on that debt.

22 **Offerees**

1 **Registration Status**

2 31. DEZH is not currently registered to sell its securities in the state of Washington and has not
3 previously been so registered, nor has it filed a claim of exemption from registration.

4 32. Shafaeian is not currently registered as a securities salesperson or broker-dealer in the state of
5 Washington and has not been so previously registered.

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

8 **CONCLUSIONS OF LAW**

9 1. The offer and/or sale of the scheme described above constitutes the offer and/or sale of a
10 security as defined in RCW 21.20.005(14) and (17).

11 2. DEZH Handyman and Soroosh Shafaeian violated RCW 21.20.140, the securities registration
12 section of the Securities Act of Washington, by offering and/or selling securities for which no registration is
13 on file with the Securities Administrator.

14 3. Soroosh Shafaeian violated RCW 21.20.040, the licensee registration section of the Securities
15 Act of Washington, by offering and/or selling said securities while not being registered as a securities
16 salesperson or broker-dealer in the state of Washington.

17 4. DEZH Handyman and Soroosh Shafaeian violated RCW 21.20.010, the anti-fraud section of
18 the Securities Act of Washington, by making untrue statements of material fact or omitting to state material
19 facts necessary to make the statements made, in light of the circumstances in which they were made, not
20 misleading.

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22 Based upon the foregoing and finding it in the public interest:

23 **CONSENT ORDER**

1 IT IS AGREED AND ORDERED that Respondents DEZH Handyman and Soroosh Shafaeian, and
2 their agents and employees, shall each cease and desist from offering and/or selling securities in any manner
3 in violation of RCW 21.20.140, the securities registration section of the Securities Act of Washington.

4 IT IS AGREED AND ORDERED that Respondent Soroosh Shafaeian, and their agents and
5 employees, shall each cease and desist from offering and/or selling securities in any manner in violation of
6 RCW 21.20.040, the registration section of the Securities Act of Washington.

7 IT IS AGREED AND ORDERED that Respondents DEZH Handyman and Soroosh Shafaeian, and
8 their agents and employees, shall each cease and desist from violating RCW 21.20.010, the anti-fraud section
9 of the Securities Act of Washington.

10 IT IS AGREED AND ORDERED that Respondent Soroosh Shafaeian shall pay restitution to Investor
11 A in the amount of \$91,000.

12 IT IS AGREED AND ORDERED that Respondent Soroosh Shafaeian shall pay restitution to Investor
13 C in the amount of \$29,000.

14 IT IS AGREED that Respondents DEZH Handyman and Soroosh Shafaeian entered into this Consent
15 Order freely and voluntarily and with a full understanding of its terms and significance.

16 IT IS AGREED that the Securities Division has jurisdiction to enter this order.

17 IT IS AGREED that in consideration of the foregoing, Respondents DEZH Handyman and Soroosh
18 Shafaeian waive their right to a hearing and to judicial review of this matter pursuant to Chapter 34.05 RCW.

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20 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

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22 Signed this ___12th___ day of _____April_____ 2024.

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Signed by:
DEZH Handyman

_____/s/_____
Soroosh Shafaeian
Sole Proprietor

Signed by:

_____/s/_____
Soroosh Shafaeian, Individually

SIGNED and ENTERED this 23rd day of April, 2024.



_____/s/_____
William M. Beatty
Securities Administrator

Approved by:

_____/s/_____
Brian J. Guerard
Chief of Enforcement

Presented by:
_____/s/_____
Brett Werenski
Financial Legal Examiner

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Reviewed by:

/s/

Holly Mack-Kretzler
Financial Legal Examiner Supervisor