

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order Number S-03-147-04-TO01
Whether there has been a violation of the)
Securities Act of Washington by:) SUMMARY ORDER TO CEASE AND
) DESIST, AND NOTICE OF INTENT TO
) IMPOSE FINES AND ORDER
Donald B. Hoff and DBH Growth) AFFIRMATIVE RELIEF
Fund;)
)
)
Respondents.)

THE STATE OF WASHINGTON TO: Donald B. Hoff and DBH Growth Fund

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that the Respondents, Donald B. Hoff and DBH Growth Fund, 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 against each to cease and desist from such violations and under RCW 21.20.395 to impose fines. 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

RESPONDENTS

1. DBH Growth Fund is a business entity with a mailing address of 15541 Redmond Way, 105-C, Redmond, WA 98052-4882. It purports to be in the business of purchasing discounted notes for resale.
2. Donald B. Hoff ("Hoff") is the principal of DBH Growth Fund. He resides in Bellevue, Washington.

NATURE OF THE OFFERING

3. Between approximately November 2001 and March 2003, Hoff induced investors in Washington and Alaska to invest in note receivables. As part of his solicitations, Hoff met with potential investors and provided them with written offering documents relating to the DBH Growth Fund.
4. Through these offering documents and in oral solicitations, the Respondents represented that the DBH Growth Fund had purchased a note receivable, and that a portion of the purchase price was being subscribed and underwritten by private investors. The Respondents also represented that the note receivable had been purchased at a discount of either fifteen or thirty percent and that it would be resold at a profit to a third party. The Respondents further represented that investors would receive returns of approximately eighteen to twenty percent within a period of six to twelve months.
5. Based on these representations, several investors signed written agreements with the Respondents and transferred at least \$54,500 to Hoff. At this time, several of the investments are past due and have not been repaid. Hoff used at least some of the funds he received from

investors for personal expenses unrelated to note receivables.

MISREPRESENTATIONS AND OMISSIONS

6. In the offer and sale of investments in the DBH Growth Fund, the Respondents failed to disclose material information to investors, including, but not limited to, the actual use of investor funds, the experience and track record of Hoff and the DBH Growth Fund in buying and reselling note receivables, the risks of the investment, and financial statements for the DBH Growth Fund.

REGISTRATION STATUS

7. DBH Growth Fund is not currently registered to offer or sell its securities in the state of Washington, has not previously been so registered, and no notice of claim of exemption is on file with the Securities Administrator of the State of Washington.

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

THREAT TO THE INVESTING PUBLIC

9. The Securities Administrator finds that the continued offering of DBH Growth Fund note receivables in the manner described in the Tentative Findings of Fact, presents a threat to the investing public.

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

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CONCLUSIONS OF LAW

1. The offer or sale of investments in the DBH Growth Fund described above constitutes the offer or sale of a security, as defined in RCW 21.20.005(10) and (12).
2. DBH Growth Fund and Hoff have each violated RCW 21.20.010 because, in connection with the offer or sale of said securities, they each made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.
3. DBH Growth Fund and Hoff have each violated RCW 21.20.140, the securities registration provision of the Securities Act, because they offered and/or sold securities for which there was no registration on file with the Securities Administrator.
4. Hoff has violated RCW 21.20.040, the salesperson registration provision of the Securities Act, because he offered and/or sold securities while not registered as a securities salesperson or broker/dealer in the State of Washington.
5. The Securities Administrator finds that an emergency exists, that the continued violations of RCW 21.20.010, RCW 21.20.140, and RCW 21.20.040, 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 ORDER

Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Donald B. Hoff and DBH Growth Fund, their agents and employees each cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act.

It is further SUMMARILY ORDERED that respondents, Donald B. Hoff and DBH

Growth Fund, their agents and employees each cease and desist from offering 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 Donald B. Hoff cease and desist from violating RCW 21.20.040, the section of the Securities Act that requires registration of securities salespersons and broker-dealers.

NOTICE OF INTENT TO IMPOSE FINES

Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that Respondents have committed a knowing or reckless violation of the Securities Act such that the imposition of a fine is required. Therefore, the Securities Administrator intends to order that Respondents DBH Growth Fund and Donald B. Hoff shall be jointly and severally liable for and shall pay a fine in the amount of \$10,000.

NOTICE OF INTENT TO ORDER AFFIRMATIVE RELIEF

Pursuant to RCW 21.20.390, and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that affirmative action is warranted to correct the conditions resulting from Respondents' violations. Therefore, the Securities Administrator intends to order that Respondents, DBH Growth Fund and Donald B. Hoff, shall be liable for and shall provide appropriate affirmative action, including, without limitation, a requirement to pay the costs, fees, and other expenses incurred in the conduct of this investigation.

AUTHORITY AND PROCEDURE

This Order is entered pursuant to the provisions of RCW 21.20.390 and is subject to the provisions of RCW 34.05. The Respondents 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. A request for a hearing should be in writing and should be sent to Michael E. Stevenson, Securities Administrator, Department of Financial Institutions, P.O. Box 9033, Olympia, WA 98507-9033.

If a Respondent does not make a timely hearing request, 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 and impose the fine and affirmative relief as set forth.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

Dated this 29th day of June, 2004



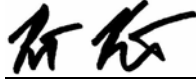
MICHAEL E. STEVENSON
Securities Administrator

Approved by:



Martin Cordell
Chief of Enforcement

Presented by:



Robert Kondrat
Financial Legal Examiner