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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 the State
of Washington by:

American Fiber Green Products, Inc. and Ken
McCleave
Respondents.

Order Number S-05-193-07-FO01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER
TO CEASE AND DESIST AND IMPOSE FINES

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THE STATE OF WASHINGTON TO: American Fiber Green Products, Inc.
Ken McCleave

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On June 29, 2007, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist and Impose Fines S-05-193-07-SC02 hereinafter referred to as Statement of Charges.

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The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing, hereinafter referred to as "Notice of Opportunity for Hearing" and an Application for Adjudicative Hearing, hereinafter referred to as "Application for Hearing", were served on American Fiber Green Products, Inc. and Ken McCleave on July 12, 2007. The Notice of Opportunity for Hearing advised American Fiber Green Products, Inc. and Ken McCleave that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of receipt of the notice. American Fiber Green Products, Inc. and Ken McCleave failed to request an administrative hearing within twenty days

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1 of receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for
2 Hearing provided or otherwise.

3 The Securities Administrator therefore will adopt as final the findings of fact and conclusions of law as
4 set forth in the Statement of Charges.

5 The Securities Administrator makes the following Findings of Fact and Conclusions of Law:

6 **FINDINGS OF FACT**

7 *Respondents*

8 1. American Fiber Green Products, Inc. (“American Fiber”) is an active Nevada corporation with its
9 principal place of business in Riverview, Florida.

10 2. Kenneth McCleave (“McCleave”) is the president of American Fiber and is believed to currently
11 reside in Riverview, Florida.

12 *Background*

13 3. In 1993, William Amour founded Amour Hydro-Press in Sultan, Washington to manufacture
14 products out of recycled fiberglass using a patented process. The products manufactured included railroad
15 ties, park benches, and picnic tables. The company thereafter conducted a securities offering, which was the
16 object of an investigation by the Securities Division in 1995 and 1996.

17 4. In May 1996, the name of Amour Hydro-Press was changed to Amour Fiber Corporation
18 (“Amour”). Amour was an active Washington corporation until 2003.

19 5. In 2001, McCleave became the Chief Executive Officer and President of Amour. At that time
20 there were approximately 900 Amour investors holding approximately 3,220,011 shares of common stock.
21 Approximately 550 of the investors resided in Washington State.

1 6. In September 2001, a merger agreement between Amour and American Leisure Products, Inc.
2 (“American Leisure”) was signed. American Leisure, a Florida corporation, is a custom hot rod car
3 manufacturer. The merger agreement was not approved by the Amour directors until April 2004. Post
4 merger, Amour and American Leisure became wholly-owned subsidiaries of American Fiber.

5 7. Amour shareholders were not notified of the merger until October 2004 and were never given
6 the opportunity to approve the merger agreement pursuant to the procedures in the Washington Business
7 Corporation Act and the Nevada Revised Statutes.

8 8. Also in October 2004, some investors were notified that each outstanding share of Amour
9 common stock was converted to one-sixth of one share of American Fiber stock.

10 *Nature of Respondents’ Conduct*

11 9. In 2004, Respondents sent a letter to Amour shareholders offering them investments in
12 American Fiber and inviting them to American Fiber company meetings in Anchorage, Alaska; Las Vegas,
13 Nevada; and Seattle, Washington. The letter stated that at the meetings the investors would be given an
14 opportunity to increase their investment.

15 10. Respondents held at least three meetings in the Seattle area. During the meetings,
16 Respondents told investors that the capital raised at the meeting would be used by American Fiber to build a
17 pilot manufacturing plant for Amour, develop a sales and distribution channel for Amour products, complete
18 the facility to produce American Leisure products, and implement the American Leisure growth plan.

19 11. Respondents told investors that American Fiber would manufacture traditional Amour
20 products such as railroad ties, picnic tables, and park benches as well as American Leisure products such as
21 custom automobiles and outboard boats.

1 12. During the shareholder meeting Respondents told investors that they could purchase shares of
2 American Fiber for \$1.00. Investors were directed to make their investment checks to McCleave, not the
3 company.

4 13. At the shareholder meetings in the Seattle area, Respondents received investments from at
5 least 10 Washington residents. The investments totaled at least \$15,000. Respondents told the investors
6 that the Respondents would send the investors a stock certificate evidencing the investment.

7 14. Investors have not received a stock certificates or any other documentation evidencing their
8 investment. Further, Respondents do not return the investors' telephone calls or letters.

9 15. In February 2007, after being contacted about this investigation, American Fiber filed a
10 registration statement for the sale of securities with the Securities and Exchange Commission.

11 **REGISTRATION STATUS**

12 16. The American Fiber Green Products, Inc. shares were not registered with the State of
13 Washington and had not been previously registered. Furthermore, there were no notices of a claim of
14 exemption filed in the State of Washington.

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

16 **CONCLUSIONS OF LAW**

17 1. The offer or sale of the common stock described above in paragraphs 10 through 15
18 constitutes the offer or sale of a security as defined in RCW 21.20.005(10) and (12).

19 2. Respondents, American Fiber Green Products, Inc. and Kenneth McCleave, have violated RCW
20 21.20.140 by offering and/or selling unregistered securities.

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1 3. The offer or sale of said securities was made in violation of RCW 21.20.010 because as set forth
2 above, American Fiber Green Products, Inc. and Kenneth McCleave, in connection with the offer and sale
3 of a security, made untrue statements of material fact or omitted to state material facts necessary in order to
4 make the statements made, in light of the circumstances under which they were made, not misleading.

5 **FINAL ORDER**

6 Based on the foregoing and finding it in the public interest:

7 It is hereby ORDERED that the Respondents, American Fiber Green Products, Inc. and Ken
8 McCleave, and their agents and employees each cease and desist from offering and/or selling securities
9 in any manner in violation of RCW 21.20.0140, the section of the Securities Act of Washington requiring
10 registration.

11 It is further ORDERED that American Fiber Green Products, Inc. and Ken McCleave, and their
12 agents and employees each cease and desist from violation of RCW 21.20.010, the anti-fraud section of
13 the Securities Act.

14 It is further ORDERED that American Fiber Green Products, Inc. is liable for and shall pay a fine
15 of \$5,000 and Ken McCleave, is liable for and shall pay a fine of \$5,000.

16 **AUTHORITY AND PROCEDURE**

17 This Final Order is entered pursuant to the provisions of 21.20.390, and is subject to the provisions
18 of Chapter 34.05 RCW. Respondents have the right to petition the superior court for judicial review of this
19 agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a Petition for
20 Judicial Review, see RCW 34.050.510 and sections following. Pursuant to 21.20.395, a certified copy of
21 this order may be filed in Superior Court. If so filed, the clerk shall treat the order in the same manner as
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1 a Superior Court judgment as to the fine, and the fine may be recorded, enforced, or satisfied in like
2 manner.

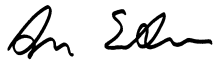
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4 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

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6 DATED and ENTERED this 13th day of March, 2008

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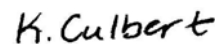
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10 MICHAEL E. STEVENSON
11 Securities Administrator

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13 Approved by:

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16 Suzanne Sarason
17 Chief of Compliance

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19 Presented by:

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22 Kristen Culbert
23 Financial Legal Examiner

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