

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING) Order Number S-05-196-06-SC01
5 whether there has been a violation of the)
6 Securities Act of Washington by:) STATEMENT OF CHARGES AND NOTICE
7) OF INTENT TO ENTER ORDER TO CEASE
8) AND DESIST AND TO IMPOSE FINES
9) AND COSTS
10 Lincoln Madison Alliance, LLC; Hope)
11 Tengonciang;)
12 Respondents)

13 THE STATE OF WASHINGTON TO: Lincoln Madison Alliance, LLC;
14 Hope Tengonciang

15 **STATEMENT OF CHARGES**

16 Please take notice that the Securities Administrator of the State of Washington has reason
17 to believe that Respondents, Lincoln Madison Alliance, LLC and Hope Tengonciang, have each
18 violated the Securities Act of Washington and that their violations justify the entry of an order of
19 the Securities Administrator against each to cease and desist from such violations and to impose
20 fines pursuant to RCW 21.20.390. The Securities Administrator finds as follows:

21 **TENTATIVE FINDINGS OF FACT**

22 *Respondents*

23 1. Lincoln Madison Alliance, LLC (“Lincoln Madison Alliance”), an active limited
24 liability company organized in South Carolina, is located at 10120 Two Notch Road, Ste #2,
Columbia, South Carolina. Lincoln Madison Alliance was formed in 1999.

1 9. Investor A communicated often with Tengonciang at the Lincoln Madison Alliance
2 office by telephone and by electronic mail (“email”).

3 10. In June 2002, Tengonciang told Investor A that clients of Lincoln Madison Alliance
4 had an opportunity to take part in a special investment in a bank note offered by Chase
5 Manhattan Bank that was being offered only to a small group of people. Tengonciang told
6 Investor A that Tengonciang previously invested in this particular investment for herself and
7 some clients of Lincoln Madison Alliance and that they received a “tremendous” return on the
8 investment.

9 11. Tengonciang told Investor A that the funds would be invested only for a short time.
10 Tengonciang did not give Investor A any other details about the investment.

11 12. Investor A instructed Tengonciang to withdraw \$100,000 from Investor A’s bank
12 account to invest in the bank note. The funds in the account were from the proceeds of the sale
13 of Investor A’s house. Investor A never received any paperwork evidencing the transaction.

14 13. Several months later, Investor A received an electronic mail message (“email”) from
15 Tengonciang representing that the \$100,000 had been invested and earned a \$70,000 return.
16 Investor A never received the funds or paperwork evidencing the return.

17 14. In about June 2003, Tengonciang told Investor A that the Lincoln Madison Alliance
18 office was closing and another office would be reopened for it soon. From this point forward,
19 Investor A has been unable to contact Tengonciang or Lincoln Madison Alliance by telephone.
20 Thereafter, Tengonciang never gave Investor A a telephone number with which to contact her.
21 Investor A and Tengonciang corresponded by email only.

1 15. On November 28, 2004, Investor A sent an email message to Tengonciang’s email
2 address. The email message was returned to Investor A as undeliverable.

3 16. Investor A has not been able to contact Tengonciang or Lincoln Madison Alliance
4 since November 2004 and has not received her investment funds or a return on the investment.

5 17. Chase Manhattan Bank has no investment that meets the description above nor has
6 Investor A, Tengonciang, or Lincoln Madison Alliance had any account or investment with the
7 bank.

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10 **MISREPRESENTATIONS AND OMISSIONS**

11 18. Respondents’ statements that there was an opportunity to invest in a bank note
12 through Chase Manhattan Bank were false or misleading because it does not appear that
13 Respondents made any such investment. Furthermore, Respondents failed to provide
14 information about the investment including financial statements.

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

17 **CONCLUSIONS OF LAW**

18 1. The offer or sale of the bank note described above constitutes the offer or sale of a
19 security as defined in RCW 21.20.005(10) and (12).

20 2. The offer or sale of said securities was made in violation of RCW 21.20.010 because
21 as set forth above, Respondents, Lincoln Madison Alliance, LLC and Hope Tengonciang, in
22 connection with the offer and sale of a security, made untrue statements of material fact or
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1 omitted to state material facts necessary in order to make the statements made, in light of the
2 circumstances under which they were made, not misleading.

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5 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

6 Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities
7 Administrator intends to order that Lincoln Madison Alliance, LLC and Hope Tengonciang, their
8 agents, and employees, each cease and desist from violations of RCW 21.20.010.

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11 **NOTICE OF INTENT TO IMPOSE FINES**

12 Pursuant to RCW 21.20.395 and based upon the Tentative Findings of Fact and Conclusions of
13 Law, the Securities Administrator intends to order that:

- 14 a. Lincoln Madison Alliance, LLC shall be liable for and pay a fine of \$5,000 and
15 b. Hope Tengonciang shall be liable for and pay a fine of \$5,000.

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18 **AUTHORITY AND PROCEDURE**

19 This Statement of Charges is entered pursuant to the provisions of RCW 21.20.390 and
20 RCW 21.20.395, and is subject to the provisions of RCW 34.05. The respondents, Lincoln
21 Madison Alliance, LLC and Hope Tengonciang, may each make a written request for a hearing

1 as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
2 HEARING accompanying this order.

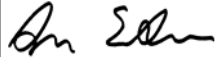
3 If a respondent does not request a hearing, the Securities Administrator intends to adopt
4 the above Tentative Findings of Fact and Conclusions of Law as final and enter a permanent
5 order to cease and desist and to impose the fine as to that respondent.

6 Dated this 5th day of March, 2007

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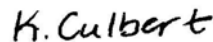
9 MICHAEL E. STEVENSON
10 Securities Administrator

11 Approved by:

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13 Suzanne Sarason
14 Chief of Compliance

15 Presented by:

16 

17 Kristen Culbert
18 Financial Legal Examiner