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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:

SCOTT BROOKSHIRE;
STEPHEN VINZANT,

Respondents.

Order Number S-06-166-07-FO01

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

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THE STATE OF WASHINGTON TO:

Stephen Vinzant

On March 12, 2007, the Securities Administrator of the State of Washington issued S-06-166-07-SC01, hereinafter referred to as Statement of Charges, against Scott Brookshire and Stephen Vinzant.

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 Stephen Vinzant on March 14, 2007. The Notice of Opportunity for Hearing advised Stephen Vinzant 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. Stephen Vinzant returned the Application for Hearing to the Securities Administrator and indicated in writing that he did not request an administrative hearing.

The Securities Administrator therefore will adopt as final the findings of fact and conclusions of law as set forth in the Statement of Charges with respect to Stephen Vinzant.

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

1 The Securities Administrator makes the following findings of fact and conclusions of law:

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3 **FINDINGS OF FACT**

4 Respondents

5 1. Stephen Vinzant (“Vinzant”) is a resident of Puyallup, Washington. He was president of
6 Youth Project, Inc. dba Skyline Group (UBI 601 586 875) from February 27, 2006 to July 19, 2006.
7 Vinzant is current president of the Skyline Group, Inc. (UBI 602 658 314).

8 2. Scott Brookshire (“Brookshire”) is a resident of Philadelphia, Pennsylvania.

9 Background

10 3. Youth Project, Inc. (“Youth Project”) is a Washington non-profit corporation that was
11 incorporated on November 11, 1994. The entity has UBI number 601 586 875. Youth Project was an
12 inactive shell corporation with no active business and an inactive 503(c)(3) tax exempt status. Youth
13 Project’s president Wendell Jones allowed Stephen Vinzant to take control of Youth Project from
14 February 27, 2006 to July 19, 2006, during which time it was known as Skyline Group. Vinzant later
15 formed a second Skyline Group, Inc. with UBI number 602 658 314. However, the relevant Skyline entity
16 in this Statement of Charges is Youth Project while it was doing business as Skyline Group.

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18 4. Vinzant had been involved in a non-profit organization run by his mother which collected and
19 sold donated computer parts. Vinzant wanted Skyline to accept and then sell donations of used computers
20 on a larger scale than his mother’s organization. Vinzant would receive a salary for his work with Skyline,
21 but would donate Skyline’s profits to various community projects.

1 5. In order to run the computer donation program, Vinzant sought more funding. In early 2006,
2 Vinzant placed an advertisement on the craigslist.org internet message board seeking donors for Skyline.
3 Vinzant received a response from Scott Brookshire, who was located in Pennsylvania. Brookshire and
4 Vinzant began communicating by phone and email. Brookshire represented to Vinzant that he had twenty
5 plus years of experience in non-profits, fundraising, grant writing, and financing. Brookshire suggested that
6 Skyline should seek investors rather than donors. Brookshire and Vinzant began working together on behalf
7 of Skyline.

8 6. Brookshire and Vinzant caused an advertisement to be placed on craigslist.org seeking
9 short-term investors for a non-profit organization. An individual replied to the posting in March 2006.
10 Brookshire and Vinzant sent an investment proposal to the individual. According to the proposal, the
11 investor would receive a 20% return on a \$30,000 investment, with payback of the contract starting after
12 30 days and completed by 145 days. Brookshire and Vinzant represented to the individual that Skyline
13 had six contracts for donations and stated that Skyline already had two investors and a warehouse in
14 Tacoma. Skyline would use investors' funds to establish a warehouse in Philadelphia for the storage of
15 donated computer equipment. In reality, Skyline did not have any contracts for donations in its name; the
16 "contracts" were arrangements of Vinzant's mother's organization to accept computer donations. The
17 two investors were Brookshire and Vinzant. The warehouse in Tacoma was Vinzant's mother's storage
18 locker. Skyline had not taken any steps to secure a warehouse or donations in Pennsylvania. When the
19 individual expressed interest in investing, Vinzant supplied wire instructions to a bank account
20 purportedly established for Skyline. The bank account was the personal account of Stephen Vinzant. No
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1 investment was ever received from the individual. Following this episode, Brookshire and Vinzant
2 began to send out investment proposals by mail.

3 Nature of the Offering

4 7. Brookshire and Vinzant produced offering materials consisting of a document entitled
5 “Investors’ Report 2006–2007” and a letter addressed to “Interested Investors.” Brookshire supplied a
6 list of addresses and established a DHL account for Skyline. Vinzant paid for the printing of the offering
7 materials and physically sent them from Washington. On approximately May 15, 2006, offering
8 materials were sent to between 250 and 300 people, including 10 Washington residents. The offerees
9 were chosen at random, had no prior relationship to Skyline or its principals, and were not screened for
10 accredited status or sophistication.

11 8. The offering materials described investment opportunities with Skyline. An investor would
12 receive a 21.50% return on a \$15,000 investment for a term of seven months; a 23.70% return on a
13 \$50,000 investment for a term of eleven months; a 26.50% return on a \$100,000 investment for a term of
14 fifteen months; or a 30.50% return on a \$282,000 investment for a term of twenty-two months. For each
15 investment, monthly payments would begin 90 days after investment and conclude at the end of the
16 applicable term.

17 Misrepresentations and Omissions

18 9. Respondents failed to provide material information regarding Skyline, including but not
19 limited to: a financial statement, the company history, the background of the officers, and the general and
20 specific risks involved with investment contracts.
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10. Respondents stated in Skyline’s offering materials that Skyline generated an average of \$23,000 to \$31,000 per month in revenues. Respondents represented that Skyline had already secured contracts for donations. In reality, Skyline had no monthly revenue and no contracts for donations in its name.

11. Respondents projected in Skyline’s offering materials that Skyline’s revenues by the fall of 2007 would exceed \$27 million. Skyline began operation in 2006 and lacks significant operating history. Respondents failed to provide a reasonable basis for their projections.

Registration Status

12. Youth Project formerly known as Skyline Group is not currently registered to sell its securities in the State of Washington and has not previously been registered.

13. Scott Brookshire is not currently registered as a broker-dealer or securities salesperson in the State of Washington and has not previously been registered.

14. Stephen Vinzant is not currently registered as a broker-dealer or securities salesperson in the State of Washington and has not previously been registered.

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

CONCLUSIONS OF LAW

1. The offer or sale by Stephen Vinzant of the investment contract described above constitutes the offer or sale of a security as defined in RCW 21.20.005(10) and (12).

1 2. Stephen Vinzant violated RCW 21.20.140 by offering or selling unregistered securities in
2 the State of Washington.

3 3. Stephen Vinzant violated RCW 21.20.040 by offering or selling securities while not
4 registered as broker-dealers or securities salespersons in the State of Washington.

5 4. The offer and/or sale by Stephen Vinzant of the Skyline securities was made in violation of
6 RCW 21.20.010 because, as set forth in the Tentative Findings of Fact, Respondents made misstatements
7 of material facts or omitted to state material facts necessary in order to make the statements made, in
8 light of circumstances under which they were made, not misleading.

9 Based on the foregoing, and finding it in the public interest,

10 **FINAL ORDER**

11 It is hereby ORDERED that the Stephen Vinzant, and his agents and employees, each cease and
12 desist from offering and/or selling securities in any manner in violation of RCW 21.20.140, the section of
13 the Securities Act of Washington requiring registration.

14 It is further ORDERED that Stephen Vinzant, and his agents and employees, each cease and
15 desist from violation of RCW 21.20.040, the broker-dealer and securities salesperson registration section
16 of the Securities Act.

17 It is further ORDERED that Stephen Vinzant, and his agents and employees, each cease and
18 desist from violation of RCW 21.20.010, the anti-fraud section of the Securities Act.

19 It is further ORDERED that Stephen Vinzant shall be liable for and pay a fine of \$5,000.
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24 ENTRY OF FINDINGS OF FACT AND
25 CONCLUSIONS OF LAW AND FINAL
26 ORDER TO CEASE AND DESIST AND
27 IMPOSE FINES

1 **AUTHORITY AND PROCEDURE**

2 This Final Order is entered pursuant to the provisions of RCW 21.20.390 and Chapter 34.05
3 RCW. Respondent, Stephen Vinzant, has the right to petition the superior court for judicial review of
4 this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a Petition
5 for Judicial Review, see RCW 34.050.510 and sections following. Pursuant to 21.20.395, a certified
6 copy of this order may be filed in Superior Court. If so filed, the clerk shall treat the order in the same
7 manner as a Superior Court judgment as to the fine, and the fine may be recorded, enforced, or satisfied
8 in like manner.

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

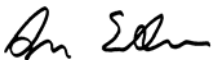
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11 DATED and Entered this 9th day of April, 2007.

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15 _____
16 MICHAEL E. STEVENSON
17 Securities Administrator

18 Approved by:

18 Presented by:

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20 _____
21 Suzanne Sarason
22 Chief of Compliance and Exams

20 _____
21 Jill M. Valley
22 Financial Legal Examiner

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