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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:

Clarion Trust Company; Hutchins
Associates, Inc.; Hutchins Development
Project; American Providence Financial
Corp.; Randy Maine; Dennis Sharp;
Wayne James

Respondents.

Order Number S-06-178-08-CO01

CONSENT ORDER AS TO DENNIS SHARP

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INTRODUCTION

On May 7, 2008, the Securities Administrator of the State of Washington issued a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist; to Impose Fines; to Charge Costs and to Deny Future Securities Salesperson Registration, Order Number S-06-178-08-SC01, against Clarion Trust Company; Hutchins Associates, Inc.; Hutchins Development Project; American Providence Financial Corp.; Randy Maine; Dennis Sharp; and Wayne James.

Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division of the Department of Financial Institutions ("Securities Division") and Respondent, Dennis Sharp, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein as to Dennis Sharp. The Respondent neither admits nor denies the Findings of Fact and Conclusions of Law stated below.

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CONSENT ORDER AS TO DENNIS SHARP

1 **FINDINGS OF FACT**

2 **I. PARTIES**

3 1. Clarion Trust Company (“Clarion Trust”), an unincorporated business entity, had a principal
4 place of business in Gig Harbor, Washington. Clarion Trust was purportedly in the business of residential
5 development and serviced investments made in Hutchins Associates, Inc.; Hutchins Development Project;
6 and American Providence Financial Corp.

7 2. Hutchins Associates, Inc. (“Hutchins Associates”) was incorporated in Nevada from May
8 2001 to June 2003 with offices in Puyallup, Washington, and in Dallas County, Texas. Hutchins Associates
9 was purportedly in the business of residential development in the Dallas County, Texas area.

10 3. Hutchins Development Project (“Hutchins Development”) had a principal place of business
11 of McKinney, Texas. Hutchins Development was purportedly in the business of residential development in
12 the Dallas County, Texas area.

13 4. American Providence Financial Corp. (“American Providence”), was incorporated in Texas
14 from January 2000 to September 2002, with an office in Puyallup, Washington and Dallas, Texas.
15 American Providence was purportedly in the business of residential development in Dallas County, Texas
16 and servicing investments made Hutchins Development.

17 5. Randy Maine (“Maine”), a resident of Texas and former Washington resident, was at one
18 time the president of Hutchins Associates, and the president of Hutchins Development. Maine was
19 registered as a securities salesperson, limited to the offer and sale of mutual funds and variable contract
20 products, in the state of Washington from September 1994 to December 1996. His Financial Industry
21 Regulatory Authority (“FINRA”) securities salesperson identification number is 2516734. Between
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1 September 1994 and December 1996 Maine was employed at PFS Investments, Inc. (“PFS”), a securities
2 broker-dealer and member of FINRA.

3 6. Dennis Sharp (“Sharp”), a Washington resident, was registered as a securities salesperson,
4 limited to the offer and sale of mutual funds and variable contract products, in the state of Washington from
5 January 1992 to October 2006. His FINRA securities salesperson identification number is 2204032.

6 Between November 1991 and October 2006 Sharp was employed at PFS. Sharp was terminated from his
7 employment at PFS upon a completion of an internal review of allegations that Sharp was selling
8 investment products not approved by PFS.

9 7. Wayne James (“James”), a Washington resident, was the president of Hutchins Associates at
10 one time, and is the managing director of Clarion Trust.

11 II. NATURE OF THE OFFERING

12 8. Beginning no later than June 1996 and continuing through at least May of 2006, Maine,
13 Sharp and James offered and sold investments in, American Providence, Hutchins Associates, and Hutchins
14 Development. At least 23 Washingtonians invested a total in excess of \$2,300,000 in the companies.

15 9. Initial investors were promised annual rates of return of between 12% and 15% on their
16 investment which were in the form of promissory notes they received varying in length from 24 to 60
17 months. These initial investors were told that their money was going to be used for real estate development.
18 Some of these early investors received deeds of trust on Maine’s residence signed by Maine as security on
19 their notes. Some of these early investors received monthly interest payments on the promissory notes,
20 while other investors elected to have the interest earned retained in the investment. The investors received
21 periodic statements showing the balance of their investments. Most of these investors extended the length
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1 of their promissory notes either at the maturity of the note or prior to maturity of their existing notes. The
2 interest was reduced to 12% on some the investors' notes when those notes were extended.

3 10. Later investors were promised rates of return between 8% and 12% annually based upon
4 notes varying in length from 24 months 60 months or until the real estate project was completed. The later
5 investors also received promissory notes for their investments. The later investors thought that their money
6 was going to be used to purchase land and develop single and multi-family homes in the Dallas County,
7 Texas area.

8 11. The investors received periodic account statements from American Providence, and later
9 from Clarion Trust. These statements included account balances and accrued interest. As of September 30,
10 2006, the Respondents owed investors in excess of \$2,400,000 based upon the statements provided to
11 investors.

12 12. Sharp, at the direction of Maine and James, told investors that their funds would be used for
13 the development of real estate projects. Sharp also continued to tell investors that their investments were
14 secure even after Sharp himself became worried about the success of the investment based upon
15 reassurances from Maine and James.

16 III. MISREPRESENTATIONS AND OMISSIONS

17 13. The Respondents failed to provide investors with a disclosure document containing material
18 information about the investment opportunity described above, including, but not limited to, a reasonable
19 basis for being able to provide the rates of return promised to investors, the use of the investors funds, and
20 the compensation that Maine, Sharp, and James were to receive for soliciting investors and providing
21 account statements to investors.

1 14. The majority of the investors were clients of Sharp while he was employed at PFS. These
2 investors thought that the investments were PFS products. Sharp failed to notify these investors that he was
3 not authorized by PFS to sell these investments and the investments were not entered on the books of PFS.

4 15. Respondents Maine and James also failed to tell investors that one of the pieces of property
5 that they claimed they were developing in Texas had been foreclosed on in 2002 by the financial institution
6 that gave them a loan on the property.

7 IV. REGISTRATION STATUS

8 16. Neither Clarion Trust, nor Hutchins Development, nor Hutchins Associates, nor American
9 Providence is currently registered to sell securities in the state of Washington and none has previously been
10 so registered.

11 17. Wayne James is not currently registered as securities salesperson or broker-dealer in the state
12 of Washington and has not previously been so registered.

13 18. Randy Maine and Dennis Sharp are not currently registered as securities salespersons or
14 broker-dealers in the state of Washington. Maine and Sharp have both previously been registered as
15 securities salespersons in the state of Washington but their licenses were limited to the sale of mutual funds
16 and variable contract products.

17 19. Clarion Trust is not currently registered as broker-dealers in the state of Washington and has
18 not previously been so registered.

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

20 **CONCLUSIONS OF LAW**

21 1. The offer or sale of the investments described above constitutes the offer or sale of a security
22 as defined in RCW 21.20.005(10) and (12).

1 IT IS FURTHER ORDERED that Dennis Sharp will not seek future registration as a securities
2 salesperson in the state of Washington and that any future registration by the Respondent will be denied by
3 the Securities Division.

4 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Order.

5 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent, Dennis Sharp
6 waives his right to a hearing in this matter and judicial review of this matter pursuant to RCW 21.20.440
7 and RCW 34.05.

8 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

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10 SIGNED this 19th day of March, 2009.

11 Signed by:

12 Dennis Sharp

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14 By _____ /s/
Dennis Sharp

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17 Signed by:

18 David B. Bukey

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20 By _____ /s/
David B. Bukey
21 Attorney for Dennis Sharp

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SIGNED and ENTERED this 8th day of April, 2009.

Michael E. Stevenson

MICHAEL E. STEVENSON
Securities Administrator

Approved by:

Presented by:

Suzanne Sarason

Suzanne Sarason
Chief Compliance and Examinations

Tyler Letey

Tyler Letey
Financial Legal Examiner