

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order Number S-06-216-09-SC01
Whether there has been a violation of the)
Securities Act of Washington by:) STATEMENT OF CHARGES AND
) NOTICE OF INTENT TO ENTER
Culinary Communion, LLC;) ORDER TO CEASE AND DESIST,
Gabriel Claycamp;) TO IMPOSE FINES, AND TO
Heidi Kenyon,) RECOVER COSTS
)
Respondents)
)

THE STATE OF WASHINGTON TO: Culinary Communion, LLC
Gabriel Claycamp
Heidi Kenyon

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Culinary Communion, LLC; Gabriel Claycamp; and Heidi Kenyon 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, to impose fines pursuant to RCW 21.20.395, and to recover costs pursuant to 21.20.390(5). The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

1. Culinary Communion, LLC (“Culinary Communion”) is a Washington limited liability company formed in 2002 that used a business address in Seattle, Washington.

1 Culinary Communion operated as a school for the culinary arts, offering classes in Seattle,
2 Washington. According to its website, Culinary Communion has ceased its operations.

3 2. Gabriel Claycamp (“Claycamp”) served as Head Chef, Director of Operations,
4 and Co-Manager of Culinary Communion.

5 3. Heidi Kenyon (“Kenyon”) served as the Director of Communications and Co-
6 Manager of Culinary Communion. Kenyon is married to Claycamp.
7

8 Background and Nature of the Offering

9 4. On February 4, 2004, the Pennsylvania Securities Commission issued a
10 Summary Order to Cease and Desist against Culinary Communion, Claycamp, and Kenyon to
11 halt the offer and sale of unregistered securities in Pennsylvania.

12 5. In May 2004, Claycamp and Kenyon sent a letter to the Washington State
13 Securities Division, which stated in part that “Culinary Communion is not currently seeking
14 funds and has no plans whatsoever to seek funds in future.”

15 6. On June 11, 2004, the Securities Division entered a Summary Order to Cease
16 and Desist against Culinary Communion, LLC, Gabriel Claycamp, and Heidi Kenyon (“the
17 Respondents”), alleging that they violated the registration and anti-fraud provisions of the
18 Securities Act of Washington by offering unregistered convertible promissory notes and by
19 misrepresenting and failing to disclose material facts.
20

21 7. On October 21, 2004, the Securities Division entered into a Consent Order with
22 the Respondents. In the Consent Order, the Respondents agreed to cease violating the
23 registration and anti-fraud provisions of the Securities Act of Washington.
24

1 8. Beginning in approximately August 2005 and continuing through at least 2008,
2 the Respondents recommenced offering and selling securities in various forms to
3 approximately ten investors (almost all of whom were located in Washington), raising
4 approximately \$150,000. Among the persons solicited by the Respondents were current and
5 former students in the Culinary Communion’s cooking classes.

6 9. Most of these investors received convertible promissory notes signed by
7 Claycamp and Kenyon, which were similar in form to the convertible promissory notes that
8 had been issued prior to entry of the Summary Order. According to some of the notes,
9 investors had the option to convert their note into a membership interest in Culinary
10 Communion, LLC. Other investors received promissory notes that did not contain conversion
11 provisions. At least one investor received a document entitled “Good Faith Investor
12 Agreement” which represented that the investor would have an ownership interest in the
13 Culinary Communion and would be paid a 10% annual rate of return, which would be paid on
14 a quarterly basis.

15 10. Several of the investors who received convertible promissory notes also received
16 a document entitled “Limited Investor Agreement” that was signed by Claycamp and/or
17 Kenyon. The Agreements outlined the terms of their investment, including an annual rate of
18 return. According to the Limited Investor Agreement, investors would not have “any say in
19 the business decisions” and would not have any control over how their funds would be used.
20 In at least one instance, the Respondents did not provide any written offering material when
21 offering and selling the convertible promissory notes.

1 ability to pay investors returns of 8% and 10% annually and the assumptions underlying those
2 purported returns; and their track record for repaying prior investors.

3 Registration Status

4 15. Culinary Communion, LLC is not currently and has not previously been
5 registered to sell its securities in the State of Washington, and has not filed a claim of
6 exemption from registration.
7

8 16. Gabriel Claycamp is not currently registered as a securities salesperson or
9 broker-dealer in the State of Washington and has not previously been so registered.

10 17. Heidi Kenyon is not currently registered as a securities salesperson or broker-
11 dealer in the State of Washington and has not previously been so registered.

12
13 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

14
15 **CONCLUSIONS OF LAW**

16 1. The offer or sale by Respondents of the investments described above constitutes
17 the offer and/or sale of a security, as defined in RCW 21.20.005(10) and (12).

18 2. Respondents Culinary Communion, LLC; Gabriel Claycamp; and Heidi Kenyon
19 have each violated RCW 21.20.140, because they offered and/or sold securities for which there
20 was no registration on file with the Securities Administrator.
21

22 3. Respondents Gabriel Claycamp and Heidi Kenyon have each violated RCW
23 21.20.040, because they offered and/or sold securities while not registered as a securities
24 salesperson or broker-dealer in the State of Washington.

1 4. The offer or sale of the securities described above were made in violation of
2 RCW 21.20.010 because, as set forth in the Tentative Findings of Fact, the Respondents made
3 misstatements of material fact or omitted to state material facts necessary in order to make the
4 statements made, in light of circumstances under which they were made, not misleading.

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

6 Pursuant to RCW 21.20.390(1), and based on the above Tentative Findings of Fact and
7 Conclusions of Law, the Securities Administrator intends to order that Respondents
8 Culinary Communion, LLC; Gabriel Claycamp; and Heidi Kenyon, and their agents and
9 employees, each cease and desist from violations of RCW 21.20.140, RCW 21.20.040, and
10 RCW 21.20.010.
11

12 **NOTICE OF INTENT TO IMPOSE FINES**

13 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and
14 Conclusions of Law, the Securities Administrator intends to order that Gabriel Claycamp and
15 Heidi Kenyon shall be liable jointly and severally for and pay a fine of \$10,000.
16

17 **NOTICE OF INTENT TO RECOVER COSTS**

18 Pursuant to RCW 21.20.390(5), and based upon the Tentative Finds of Fact and
19 Conclusions of Law, the Securities Administrator intends to order that Respondents Gabriel
20 Claycamp and Heidi Kenyon shall be liable jointly and severally for and pay the Securities
21 Division the costs, fees, and other expenses incurred in the conduct of the administrative
22 investigation and hearing of this matter of not less than \$1,000.
23
24

1 **AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of chapter 21.20 RCW
3 and is subject to the provisions of RCW 34.05. The Respondents may each make a written
4 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
5 OPPORTUNITY FOR HEARING accompanying this order.
6

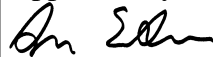
7 If a Respondent does not request a hearing, the Securities Administrator intends to adopt
8 the above Tentative Findings of Fact and Conclusions of Law as final and enter a final order to
9 cease and desist and impose the fines and costs sought, as to that Respondent.

10 Dated and Entered this 7th day of December, 2009.

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12 


13 MICHAEL E. STEVENSON
14 Securities Administrator

15 Approved by:

16 

17 Suzanne E. Sarason
18 Chief of Enforcement

Presented by:

19 

20 Robert Kondrat
21 Enforcement Attorney

22 Reviewed by:

23 

24 Martin Cordell
25 Financial Legal Examiner Supervisor