

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING ) Order Number S-06-216-10-FO01  
Whether there has been a violation of the )  
Securities Act of Washington by: ) ENTRY OF FINDINGS OF FACT AND  
 ) CONCLUSIONS OF LAW AND  
Culinary Communion, LLC; ) FINAL ORDER TO CEASE AND DESIST  
Gabriel Claycamp; )  
Heidi Kenyon, )  
 )  
Respondents )  
 )

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

**INTRODUCTION**

On December 7, 2009, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, Impose Fines, and Recover Costs S-06-216-09-SC01 (hereinafter "Statement of Charges"), against Respondents Culinary Communion, LLC; Gabriel Claycamp; and Heidi Kenyon. The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing ("Notice"), and an Application for Adjudicative Hearing ("Application"), were served on Heidi Kenyon on or about January 29, 2010; on Gabriel Claycamp on or about February 9, 2010; and on Culinary Communion, LLC on or about February 17, 2010.

The Notice advised 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. On February 16, 2010, Respondents Heidi Kenyon and Gabriel Claycamp returned the

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

1 Application for Hearing and indicated that they each waived the right to a hearing. In lieu of  
2 requesting a hearing, Respondents Heidi Kenyon and Gabriel Claycamp submitted a written  
3 statement for consideration. At the request of Respondents Heidi Kenyon and Gabriel  
4 Claycamp, the Division agreed to allow the Respondents to supplement their written statements,  
5 with a mutually agreed upon deadline of March 5, 2010. On March 5, 2010, Respondent Heidi  
6 Kenyon requested additional time, and the Division agreed to extend the deadline to March 12,  
7 2010. No additional supplemental information was received from either Respondent Heidi  
8 Kenyon or Gabriel Claycamp by March 12, 2010, or after. Respondent Culinary Communion,  
9 LLC failed to request an administrative hearing within twenty days of receipt of the Statement of  
10 Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided  
11 or otherwise.

12 After considering the written statement, the Securities Administrator finds no material  
13 grounds for amendment of the Statement of Charges, and will therefore adopt as final the  
14 findings of fact and conclusions of law as set forth in the Statement of Charges. The Securities  
15 Administrator finds as follows:

## 16 FINDINGS OF FACT

### 17 Respondents

18 1. Culinary Communion, LLC (“Culinary Communion”) is a Washington limited  
19 liability company formed in 2002 that used a business address in Seattle, Washington.  
20 Culinary Communion operated as a school for the culinary arts, offering classes in Seattle,  
21 Washington. According to its website, Culinary Communion has ceased its operations.

22 2. Gabriel Claycamp (“Claycamp”) served as Head Chef, Director of Operations,  
23 and Co-Manager of Culinary Communion.  
24

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

3   Background and Nature of the Offering

4           4. On February 4, 2004, the Pennsylvania Securities Commission issued a  
5 Summary Order to Cease and Desist against Culinary Communion, Claycamp, and Kenyon to  
6 halt the offer and sale of unregistered securities in Pennsylvania.  
7

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

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

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

19           8. Beginning in approximately August 2005 and continuing through at least 2008,  
20 the Respondents recommenced offering and selling securities in various forms to  
21 approximately ten investors (almost all of whom were located in Washington), raising  
22

1 approximately \$150,000. Among the persons solicited by the Respondents were current and  
2 former students in the Culinary Communion’s cooking classes.

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

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

21 11. The Respondents represented to the convertible promissory note investors that  
22 they would receive quarterly interest payments for five years and would then be repaid the  
23 amount of their original investment. Investors were led to believe that they would receive a  
24

1 specific annual rate of return. While some investors were to receive a return of 8% per year,  
2 others were to receive a return of 10% per year. One investor entered into a 90 day  
3 promissory note with the Respondents, which provided for a return of 12%.

4 12. The Respondents failed to pay some investors in accordance with the terms of  
5 their notes and Agreements. One investor received only one quarterly payment, along with a  
6 document labeled Dividend Payment Record. The Respondents asked investors to “roll” their  
7 quarterly interest payment “back into the lump sum total” of their investment, due to the  
8 company’s cash flow problems.  
9

10 13. In April 2006, Kenyon and Claycamp sent out an e-mail soliciting existing  
11 investors to make additional investments in Culinary Communion.

12 Misrepresentations and Omissions

13 14. In the offer and sale of the investments described above, the Respondents failed  
14 to disclose material information, which made the information that was disclosed, misleading  
15 to investors. The Respondents failed to disclose to some investors that they were subject to  
16 Cease and Desist Orders for securities violations by the states of Pennsylvania and  
17 Washington, as described above. The Respondents also failed to disclose other material  
18 information to investors, including but not limited to: information regarding Culinary  
19 Communion’s financial condition at the time that they invested such as current financial  
20 statements; the specific risks associated with the investment, the basis of their purported  
21 ability to pay investors returns of 8% and 10% annually and the assumptions underlying those  
22 purported returns; and their track record for repaying prior investors.  
23

1 Registration Status

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

5 16. Gabriel Claycamp is not currently registered as a securities salesperson or  
6 broker-dealer in the State of Washington and has not previously been so registered.  
7

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

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

12 **CONCLUSIONS OF LAW**

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

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

18 3. Respondents Gabriel Claycamp and Heidi Kenyon have each violated RCW  
19 21.20.040, because they offered and/or sold securities while not registered as a securities  
20 salesperson or broker-dealer in the State of Washington.  
21

22 4. The offer or sale of the securities described above were made in violation of  
23 RCW 21.20.010 because, as set forth in the Tentative Findings of Fact, the Respondents made  
24

1 misstatements of material fact or omitted to state material facts necessary in order to make the  
2 statements made, in light of circumstances under which they were made, not misleading.

3 **FINAL ORDER**

4 Based upon the foregoing and finding it in the public interest:

5 It is hereby ORDERED that Respondents Culinary Communion, LLC; Gabriel  
6 Claycamp; and Heidi Kenyon and their agents and employees each shall cease and desist  
7 from offering or selling securities in violations of RCW 21.20.140, the securities registration  
8 section of the Securities Act of Washington.

9 It is further ORDERED that Respondents Culinary Communion, LLC; Gabriel  
10 Claycamp; and Heidi Kenyon and their agents each shall cease and desist from acting as an  
11 unregistered securities broker-dealers or salespersons in violation of RCW 21.20.040, the  
12 broker-dealer and securities salesperson registration section of the Securities Act of  
13 Washington.

14 It is further ORDERED that Respondent Culinary Communion, LLC; Gabriel  
15 Claycamp; and Heidi Kenyon and their agents and employees each shall cease and desist  
16 from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

17 It is further ORDERED that Respondents Gabriel Claycamp and Heidi Kenyon shall be  
18 liable jointly and severally for and pay a fine of \$10,000.

19 It is further ORDERED that Respondents Gabriel Claycamp and Heidi Kenyon shall be  
20 liable jointly and severally for and pay costs in the amount of \$1,000.

1 **AUTHORITY AND PROCEDURE**

2 This Final Order is entered pursuant to the provisions of RCW 21.20.390 and RCW  
3 21.20.395, and is subject to the provisions of RCW 21.20.440 and Chapter 34.05 RCW. The  
4 Respondent has the right to petition the superior court for judicial review of this agency  
5 action under the provisions of chapter 34.05 RCW. For the requirements for filing a Petition  
6 for Judicial Review, see RCW 34.050.510 and sections following. Pursuant to 21.20.395, a  
7 certified copy of this order may be filed in Superior Court. If so filed, the clerk shall treat the  
8 order in the same manner as a Superior Court judgment as to the fine, and the fine may be  
9 recorded, enforced, or satisfied in like manner.  
10

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

12 Dated and Entered this 22nd day of March, 2010.

13 

14 SUZANNE SARASON  
15 Chief of Enforcement

16 Presented by:

17 

18 Robert Kondrat  
19 Enforcement Attorney