

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order Number S-07-278-07-SC01
whether there has been a violation of the)
Securities Act of Washington by:) STATEMENT OF CHARGES AND
) NOTICE OF INTENT TO ENTER
Moenkopi Resources Inc., Steven Peter Kylo,) ORDER TO CEASE AND DESIST,
Glen Matthew,) IMPOSE FINES, AND RECOVER
Respondents) COSTS

THE STATE OF WASHINGTON TO: Moenkopi Resources Inc.
Steven Peter Kylo
Glenn Matthew

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Moenkopi Resources Inc., Steven Peter Kylo, and Glen Matthew, 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. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

1. Moenkopi Resources Inc. is a Nevada corporation that was incorporated in September 1998 and purportedly was in the business of trading short-term, high-yield financial instruments.
2. Steven Peter Kylo ("Kyllo") was president of Moenkopi Resources Inc. Kyllo was a resident of British Columbia, Canada.

1 3. Glen Matthew (“Matthew”) was vice president of Moenkopi Resources Inc. Matthew
2 was a resident of British Columbia, Canada.

3 Offer and Sale of Investments

4 4. From at least 2002 through 2005, Respondents have offered and sold in the state more
5 than \$145,000 worth of investments in a “Private Investment Program” purportedly involved in
6 “high-yield trading programs” to at least four Washington investors. When offering and selling
7 the investments, Respondents each represented that investor funds would be pooled and that
8 investors would at least double their investment within six months. Respondents entered into
9 agreements with investors that promised returns ranging from a 25% per month interest payment,
10 payable monthly, to an amount at least ten times the amount of the initial investment.

11 Respondents each represented that investors would earn a profit on their investment from the
12 efforts of others. The investors did not participate in the management of their investments.

13 Misrepresentations and Omissions

14 5. When offering and selling the investments, Respondents each misrepresented the risk
15 of the purported investment. Respondents each represented that investor funds would never be at
16 risk.
17

18 6. When offering and selling the investments, Respondents each failed to disclose
19 significant information relating to the investments. Kylo and Matthew each failed to disclose
20 that they were the subject of a 2002 cease trade order from the Saskatchewan Securities
21 Commission for securities law violations. Respondents each failed to disclose the intended use
22 of investor funds. Respondents each failed to give the investors any financial statements for
23 Moenkopi Resources Inc. Respondents each failed to disclose what their purported “high-yield
24 trading programs” were trading.
25

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

2 **CONCLUSIONS OF LAW**

3 1. The offer or sale of the investments described in the Tentative Findings of Fact
4 constitutes the offer or sale of a security, as defined in RCW 21.20.005(10) and (12), in the form
5 of an evidence of indebtedness and/or an investment contract.

6 2. The offer or sale of said securities was made in violation of RCW 21.20.010 because,
7 in connection with the offer or sale of the securities, Respondents each made untrue statements
8 of a material fact or omitted to state a material fact necessary in order to make the statements
9 made, in the light of the circumstances under which they were made, not misleading.

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

11 Pursuant to RCW 21.20.390, and based on the above Tentative Findings of Fact and
12 Conclusions of Law, the Securities Administrator intends to order that Moenkopi Resources Inc.,
13 Steven Peter Kylo, and Glen Matthew, and their agents and employees, each shall cease and
14 desist from any violation of RCW 21.20.010.

15 **NOTICE OF INTENT TO IMPOSE FINES**

16 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and
17 Conclusions of Law, the Securities Administrator intends to order that Respondents Moenkopi
18 Resources Inc., Steven Peter Kylo, and Glen Matthew, shall each be liable for and pay a fine
19 of \$10,000.

20 **NOTICE OF INTENT TO RECOVER COSTS**

21 Pursuant to RCW 21.20.390(5), and based upon the Tentative Finds of Fact and
22 Conclusions of Law, the Securities Administrator intends to order that the Respondents
23 Moenkopi Resources Inc., Steven Peter Kylo, and Glen Matthew shall be liable for and pay the

1 Securities Division the costs, fees, and other expenses incurred in the conduct of the
2 administrative investigation and hearing of this matter.

3 **AUTHORITY AND PROCEDURE**

4 This Statement of Charges is entered pursuant to the provisions of the Washington
5 Securities Act, Chapter 21.20 RCW, and is subject to the provisions of Chapter 34.05 RCW.

6 The respondents, Moenkopi Resources Inc., Steven Peter Kylo, and Glen Matthew, may each
7 make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO
8 DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.
9

10 If a Respondent fails to make a timely hearing request, the Securities Administrator
11 intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final, to
12 enter an order to cease and desist as to that Respondent and to impose the fines, costs fees and
13 expenses sought.

14 Dated and entered this 26th day of December, 2007

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18 MICHAEL E. STEVENSON
19 Securities Administrator

20 Approved by:

21 

22
23 Martin Cordell
24 Chief of Enforcement

Presented by:

25 

Janet So
Staff Attorney