

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:

CANUSA Capital, LLC, Ross Paterson,  
Victoria Mallahan;

Respondents.

Order Number S-07-393-08-FO02

FINAL ORDER TO CEASE AND DESIST;  
IMPOSE FINES AND CHARGE COSTS

THE STATE OF WASHINGTON TO: Victoria Mallahan

**ENTRY OF FINAL ORDER**

THIS MATTER having come before Scott Jarvis, Director ("Director") of the Washington State Department of Financial Institutions ("Department") under RCW 34.05.440 and RCW 34.05.464, the Director does hereby enter the following final order pursuant to his authority under RCW 21.20.390, and is subject to the provisions of RCW 21.20.395 and Chapter 34.05 RCW:

**DIRECTOR'S CONSIDERATION**

A. Default. On December 27, 2007, the Director through his designee Securities Administrator, Michael E. Stevenson, entered a Summary Order to Cease and Desist and Notice of Intent to Impose Fines and Charge Costs ("Summary Order"). A copy of the Summary Order is attached and incorporated into this order by reference.

On January 15, 2008, the Department served the Summary Order together with a Notice of Opportunity to Defend and Opportunity for Hearing and an Application for Adjudicative Hearing via personal service on Respondent Victoria Mallahan ("Mallahan"). The Notice of Opportunity for Hearing advised Mallahan that a written application for an administrative hearing on the Summary Order must be received within twenty days from the date of receipt of the notice. The Summary Order advised Mallahan that if a hearing was not requested by the Respondent, the Securities Administrator intends to adopt the "Tentative Findings of Fact" and "Conclusions of Law," as set forth in the Summary Order, as

1 final, and enter a final order against that Respondent to cease and desist from violations of the Securities  
2 Act, and to impose the fine and costs.

3 On February 4, 2008, the Department received Mallahan's Application for Adjudicative Hearing.

4 On April 14, 2008, the Department requested the assignment this matter to the Office of  
5 Administrative Hearings for hearing.

6 The Office of Administrative Hearings set this matter for a pre-hearing conference on August 20,  
7 2008 and sent written notice to the Department and Mallahan by United States Mail. In the Notice of  
8 Pre-Hearing Conference by Telephone, the parties were advised that failure to appear or participate in the  
9 pre-hearing conference, hearing, or any other schedule stage of these proceedings might result in the loss  
10 of the right to a hearing as described in RCW 34.05.440.

11 On August 20, 2008, Mallahan failed to appear for the prehearing conference.

12 On August 21, 2008, the Office of Administrative Hearings issued a Decision and Order on the  
13 Respondent's Failure to Appear. The Decision and Order ordered that Mallahan is in default and that the  
14 Department may issue a Final Order pursuant to the Summary Order.

15 B. Record Presented. The record presented to the Director for his review and for entry of a final  
16 decision included the Summary Order, Notice of Opportunity to Defend, and an Application for  
17 Adjudicative Hearing served Mallahan; proof of Service; Mallahan's Application for Adjudicative  
18 Hearing; Letter to the Office of Administrative Hearings dated April 14, 2008; Office of Administrative  
19 Hearings Notice of Pre-hearing Conference by Telephone; and the Office of Administrative Hearing's  
20 Decision and Order on the Respondent's Failure to Appear.

21 C. Factual Findings and Grounds for Order. The Director hereby adopts the Findings of Fact and  
22 Conclusion of Law as set forth in the Summary Order which is attached hereto.

### 23 FINAL ORDER

24 Based upon the foregoing, which incorporated the Findings of Fact and Conclusions of Law as set  
25 forth in the Summary Order:

A. IT IS HEREBY ORDERED:

FINAL ORDER TO CEASE AND DESIST, TO IMPOSE  
FINES, AND CHARGE COSTS

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

1. Respondent Mallahan shall cease and desist from violations of RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140.
2. Respondent Mallahan shall pay a fine of \$5,000. Such payment shall be: (a) made by United States postal money order, certified check, bank cashier's check or bank money order; (b) made payable to the Washington State Treasurer; (c) delivered by certified mail to Michael E. Stevenson, Securities Administrator, Department of Financial Institutions, PO Box 9033, Olympia, Washington 98507; and (d) submitted with a cover letter that identifies Victoria Mallahan as respondent under these proceedings.
3. Respondent Mallahan shall pay the costs, fees, and other expenses incurred in the conduct of the administrative investigation of this matter in the amount of \$1,000.

The payment shall be in the same method as described above.

B. Reconsideration. Pursuant to RCW 34.08.470, Respondent Mallahan has the right to file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by United States Mail at PO Box 41200, Olympia, Washington 98504, within ten (10) days of service of the Final Order upon the Respondent. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter. A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the party with a written notice specifying the date by which it will act on a petition.

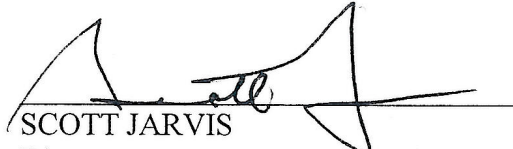
C. Stay of Order. The Director has determined not to consider a Petition to stay the effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

D. Judicial Review. Respondents have the right to petition the superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a Petition for Judicial Review see RCW 34.050.510 and the sections following.

1 E. Service. For the purposes of filling a Petition for Reconsideration for a Petition for Judicial  
2 Review, service is effective upon deposit of this order in the United States Mail declaration of service  
3 attached hereto.

4 DATED this 9<sup>th</sup> day of September, 2008.

5  
6 STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

7  
8   
9 SCOTT JARVIS  
Director

10 STATE OF WASHINGTON )  
11 ) ss. AFFIDAVIT OF SERVICE BY MAIL  
12 COUNTY OF THURSTON )

13 I, SUSAN PUTZIER, hereby certify that on the 9<sup>th</sup> day of September, 2008, I served by depositing in  
14 the mails of the United States Postal Service, postage prepaid, at Tumwater, Washington, a copy of the  
15 foregoing Final Order to the following parties:

16 Michael E. Stevenson  
17 Securities Administrator  
18 Department of Financial Institutions  
19 Securities Division  
20 PO Box 9033  
21 Olympia, WA 98507

22 Victoria Mallahan  
23 5623 Matsqui Place  
24 Blaine, WA 98230

25 Dated at Tumwater, Washington, this 9<sup>th</sup> day of September, 2008.

  
Susan Putzier, Executive Assistant  
Department of Financial Institutions