

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order Number S-07-477-10-CO01
Whether there has been a violation of the)
Securities Act of Washington by:)
Eric A. Moore d/b/a) CONSENT ORDER
Generational Prosperity;)
Respondent)

INTRODUCTION

On May 4, 2010, 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-07-477-109-SC02, hereinafter referred to as “Statement of Charges,” against Respondent Eric A. Moore d/b/a Generational Prosperity. The Securities Division and Respondent Eric A. Moore d/b/a Generational Prosperity do hereby enter into this Consent Order in settlement of the matters alleged herein. The Respondent Eric A. Moore d/b/a Generational Prosperity neither admits nor denies the Findings of Fact and Conclusions of Law stated below.

FINDINGS OF FACT

Respondent

1. Eric A. Moore (“Moore”) was at all relevant times a resident of Washington. Moore registered as a sole proprietorship and did business under the registered trade name “Generational Prosperity.” Eric A. Moore is not currently registered as a securities salesperson in the State of Washington and has not previously been so registered.

1 Nature of the Offering

2 2. Between at least 2002 and 2007, Moore raised approximately \$700,000 from
3 more than fifteen investors in Washington and other states through the offer and sale of
4 promissory notes and notes payable. Most of the notes had a term of twelve months. At the
5 end of the twelve month term, investors were to receive all of their original investment, plus a
6 specified return on their investment (typically 10%). At the end of twelve month term, Moore
7 provided some of his investors with a check that purportedly represented the “interest” they
8 had earned, and executed a new promissory note or note payable with them. Moore’s
9 investors typically received little or no written disclosure, other than the notes that he
10 provided.
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12 3. Moore represented to prospective investors that he would invest their funds in
13 the stock market and that his stock trading would generate a profit for them. Moore did not
14 provide any written disclosure detailing his trading strategies. Moore’s investors were passive
15 and relied on Moore to generate a return on their investment. Moore was the only person who
16 made investment decisions and managed investor funds. At the time that he solicited
17 investors, Moore had little or no formal training in investing and did not have an established
18 track record of successful investing.
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20 4. Moore initially solicited family members and relatives, and later solicited others,
21 including his church and persons that he knew through his church. Offering materials stated
22 that Generational Prosperity would be using “word of mouth [advertising] extensively in our
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1 promotion” and that investment opportunities were open to accredited investors, and on
2 occasion, to non-accredited investors.

3 5. Investors paid Moore through checks or wires that were deposited into checking
4 and saving accounts in his name. After a deposit was made, Moore would then transfer some
5 or all of the investor’s funds to a single online brokerage account in his name. Moore pooled
6 funds from different investors into his brokerage account.

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8 6. Moore used investor funds in his brokerage account to engage in high-volume
9 and risky day trading in various securities. Moore utilized a margin account and engaged in
10 numerous short sales of various securities.

11 7. As a result of Moore’s trading practices, several of Moore’s investors lost most
12 or all of their original investment. Records provided by Moore show a history of trading
13 losses, including approximately \$60,000 in 2003; approximately \$80,000 in 2004; over
14 \$300,000 in 2005; and nearly \$300,000 in 2006. In 2009, Moore filed for Chapter 7
15 bankruptcy and received a discharge.

16 Misrepresentations and Omissions

17 8. In the offer and sale of the investments described above, Moore failed to
18 disclose material information, which made the information that was disclosed, misleading to
19 investors. Among other things, Moore failed to disclose information relating to his prior track
20 record as a stock trader, including his history of losses. Moore failed to provide the basis and
21 assumptions underlying the purported returns that he led investors to believe they would
22 receive.
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1 9. Moore failed to disclose information relating to his prior and intended use of
2 investor funds, including, but not limited to: his use of investor funds for personal living
3 expenses, including clothing, groceries, restaurants, and his residential mortgage; his use of
4 investor funds to make interest payments to other investors; and the fact that he would be
5 pooling investor funds into a single brokerage account with no system to adequately account
6 for each investor's funds.
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8 10. Moore failed to disclose information relating to his expected trading strategies
9 and the risks associated with those strategies. Moore failed to disclose the risks associated
10 with day trading, short selling, and the use of a margin account. Moore failed to disclose the
11 risks associated with his lack of experience and training as a stock trader.

12 11. Moore also prepared and distributed misleading account statements to some of
13 his investors. Moore also provided at least one investor with a series of Business Portfolio
14 Reports. One report indicated that Generational Prosperity's performance in the first quarter
15 of 2007 was "5.3%", without specifying what that figure represented or how it was calculated.
16 The report misleadingly indicated that Generational Prosperity had substantially outperformed
17 leading indexes, including the S&P 500 and the Dow Jones Industrial Average.
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1 Based upon the above Findings of Fact, the following Conclusions of Law are made:

2 **CONCLUSIONS OF LAW**

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

5 2. The offer or sale of said securities is in violation of RCW 21.20.140 because no
6 registration for such offer or sale is on file with the Securities Administrator.

7 3. The offer or sale of the investments described above was made in violation of
8 RCW 21.20.010 because, as set forth in the Tentative Findings of Fact, Respondent Eric A.
9 Moore made misstatements of material facts or omitted to state material facts necessary in order
10 to make the statements made, in light of circumstances under which they were made, not
11 misleading.
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13 **CONSENT ORDER**

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

15 IT IS AGREED AND ORDERED that Respondent Eric A. Moore, and his agents and
16 employees each shall cease and desist from violating RCW 21.20.010, the anti-fraud section
17 of the Securities Act of Washington.

18 IT IS FURTHER AGREED AND ORDERED that Respondent Eric A. Moore, and
19 his agents and employees each shall cease and desist from offering or selling securities in
20 violations of RCW 21.20.140, the securities registration section of the Securities Act of
21 Washington.
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1 IT IS FURTHER AGREED AND ORDERED that Respondent Eric A. Moore shall pay
2 investigative costs in the amount of \$2,500 and a fine in the amount of \$1,000 on or before
3 the date of this Consent Order.

4 IT IS FURTHER AGREED that Respondent Eric A. Moore enters into this Consent
5 Order freely and voluntarily and with a full understanding of its terms and significance.

6 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this
7 Order.
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9 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Eric
10 A. Moore waive his rights to a hearing in this matter and judicial review of this order
11 pursuant to RCW 21.20.440 and RCW 34.05.

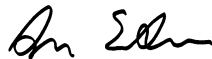
12 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

13 SIGNED this 3rd day of June, 2010.

14 Signed by:

15 /s/ Eric A. Moore
16 Eric A. Moore

17 Dated and Entered this 7th day of June, 2010.

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19 SUZANNE SARASON
20 Chief of Enforcement

21 Presented by:

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23 Robert Kondrat
24 Enforcement Attorney

25 STATEMENT OF CHARGES AND NOTICE OF
INTENT TO ENTER ORDER TO CEASE AND DESIST,
IMPOSE A FINE, AND RECOVER COSTS