

1  
2  
3  
4  
5  
6  
7

**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation  
of the Business Opportunity Fraud Act of  
Washington by:

Order Number S-08-040-08-CO01

CONSENT ORDER

Arlan Galbraith; and  
Pigeon King International, Inc.

Respondents.

8 Pursuant to the Business Opportunity Fraud Act of Washington, RCW 19.110, the Securities  
9 Division of the Department of Financial Institutions (“Securities Division”) and Respondents, Arlan  
10 Galbraith and Pigeon King International, Inc., do hereby enter into this CONSENT ORDER in  
11 settlement of the matters alleged herein. Respondents neither admit nor deny the Findings of Fact and  
12 Conclusions of Law stated below.

13  
14

**FINDINGS OF FACT**

15  
16

**I. RESPONDENTS**

- 17 1. Arlan Galbraith is the Chief Executive officer of Pigeon King International, Inc.
- 18 2. Pigeon King International, Inc. is an Ontario, Canada corporation whose principal address  
19 is Unit 4-299 Northfield Drive East, Waterloo, Ontario N2K 4H2 Canada. Pigeon King, International  
20 maintains a website at [www.PigeonKingInternational.com](http://www.PigeonKingInternational.com).

21  
22

**II. NATURE OF THE OFFERING**

- 23 3. Respondents are a seller of a business opportunity that allows a potential purchaser to own  
24

1 and operate a pigeon breeding stock business. Investors are solicited to purchase breeding pigeons from  
2 Respondents. Investors are responsible for all costs related to the care and housing of the pigeons and  
3 their offspring. Respondents would then purchase all healthy offspring from investors.

4 4. Respondents advertise the business opportunity on the internet at  
5 www.pigeonkinginternational. At least one Washington resident requested additional information  
6 regarding the business opportunity. Respondents sent the Washington resident a brochure describing how  
7 to enter into a pigeon raising business for profit.

8 5. Respondents represented, in their brochure, that potential purchasers of the business  
9 opportunity are required to pay Respondents \$100 to \$500 per pair of breeding stock pigeon, with a  
10 suggested minimum of 100 pairs required to be purchased. The variance in cost per pigeon pair would  
11 depend on how much a potential purchaser wished to make when selling the healthy offspring back to  
12 Respondents. Respondents guaranteed the health of each breeding pair for one year.

13 6. Respondents represented to the potential Washington purchaser a “guaranteed fixed market  
14 price” per bird, with a written 10 year contract. Respondents project a minimum of 10 offspring sales per  
15 breeding pair.

### 16 III. MISREPRESENTATIONS AND OMISSIONS

17 7. Respondents failed to provide material information regarding its business opportunity,  
18 including but not limited to, disclosure documents, financial statements, and a reasonable basis on which  
19 the revenue projections for the business opportunity were made.

### 20 IV. REGISTRATION STATUS

21 8. Pigeon King International, Inc. is not currently and has not previously been registered to  
22 offer or sell business opportunities in the state of Washington.

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

2 **CONCLUSIONS OF LAW**

3 1. The offer and/or sale of the business opportunity described above constitute the offer  
4 and/or sale of a business opportunity as defined in RCW 19.110.020(1) and RCW 19.110.030(1).

5 2. The offer and/or sale of said business opportunity is in violation of RCW 19.110.050  
6 because no registration for such offer and/or sale is on file with the Securities Administrator.

7 3. The offers and/or sales of said business opportunity were in violation of RCW 19.110.120,  
8 the antifraud provision of the Business Opportunity Fraud Act, because Respondents, Arlan Galbraith and  
9 Pigeon King International, Inc., made misstatements of material facts and/or omitted to state material  
10 facts necessary in order to make the statements made, in light of circumstances under which they were  
11 made, not misleading and/or engaged in acts and practices that operated as fraud or deceit.

12 **CONSENT ORDER**

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

14 IT IS AGREED AND ORDERED that Respondents, Arlan Galbraith and Pigeon King  
15 International, Inc., shall each cease and desist from offering or selling business opportunities in violation  
16 of RCW 19.110.050, the registration section of the Business Opportunity Fraud Act of Washington.

17 IT IS FURTHER AGREED AND ORDERED that Respondents, Arlan Galbraith and Pigeon King  
18 International, Inc., shall each cease and desist from violating RCW 19.110.120, the anti-fraud section of  
19 the Business Opportunity Fraud Act of Washington.

20 IT IS FURTHER AGREED that Respondents, Arlan Galbraith and Pigeon King International,  
21 Inc., shall pay the Securities Division the costs and other expenses incurred in the investigation and  
22 prosecution of this matter in the amount of \$1000 on or before the date of entry of this consent order.

23 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Order.

1 IT IS FURTHER AGREED that in consideration of the foregoing Respondents, Arlan Galbraith  
2 and Pigeon King International, Inc., each waives their rights to a hearing in this matter and judicial review  
3 of this order.

4 DATED this 23<sup>rd</sup> day of April, 2008

5 Signed by:

6 Arlan Galbraith

7  
8 By \_\_\_\_\_ /s/  
Arlan Galbraith, individually

9 Signed by:

10 Pigeon King International, Inc.

11  
12 By \_\_\_\_\_ /s/  
Arlan Galbraith, CEO

13  
-----  
14 SIGNED and ENTERED this 2<sup>nd</sup> day of May, 2008.

15  
16 

17 MICHAEL E. STEVENSON  
Securities Administrator

18 Approved by:

19  
20 

21 Martin Cordell  
Chief of Enforcement

Presented by:

22  
23 

24 Patrick Kim  
Enforcement Attorney