

1 II. NATURE OF THE OFFERING

2 3. Respondents are a seller of a business opportunity that allows a potential purchaser to own
3 and operate a pigeon breeding stock business. Investors are solicited to purchase breeding pigeons from
4 Respondents. Investors are responsible for all costs related to the care and housing of the pigeons and
5 their offspring. Respondents would then purchase all healthy offspring from investors.

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

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

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

18 III. MISREPRESENTATIONS AND OMISSIONS

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

1 IV. REGISTRATION STATUS

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

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

5 **CONCLUSIONS OF LAW**

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

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

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

15 **NOTICE OF INTENT TO ISSUE AN ORDER TO CEASE AND DESIST**

16 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities
17 Administrator intends to Order that Respondents, Arlan Galbraith and Pigeon King International, Inc.,
18 and their agents and employees, shall each permanently cease and desist from violations of RCW
19 19.110.050 and RCW 19.110.120.

20 **AUTHORITY AND PROCEDURE**

21 This STATEMENT OF CHARGES AND NOTICE OF INTENT TO ISSUE AN ORDER TO
22 CEASE AND DESIST is entered pursuant to the provisions of RCW 19.110.150, and is subject to the

1 provisions of RCW 34.05. The Respondents, Arlan Galbraith and Pigeon King International, Inc., may each
2 make a written request for hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
3 OPPORTUNITY FOR HEARING accompanying this order.

4 If a respondent does not request a hearing, the Securities Administrator intends to adopt the above
5 Tentative Findings of Fact and Conclusions of Law as final and enter a permanent cease and desist order
6 against that Respondent.

7 Dated and Entered this 19th day of March, 2008.

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10 MICHAEL E. STEVENSON
11 Securities Administrator

11 Approved by:

12 

13 Martin Cordell
14 Chief of Enforcement

11 Presented by:

12 

13 Patrick Kim
14 Enforcement Attorney