

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order Number S-08-043-08-CO01
Whether there has been a violation of the)
Securities Act of Washington by:) CONSENT ORDER AND ORDER
) VACATING ORDER S-08-043-FO01
)
New Wave Marine Propulsion, Inc. and)
Joseph Mueller d/b/a New Wave Propulsion)
)
Respondents)

On March 4, 2008, the Securities Administrator of the State of Washington issued Statement of Charges, S-08-043-08-SC01, against New Wave Marine Propulsion, Inc. and Joseph Mueller d/b/a New Wave Propulsion. On June 20, 2008 the Securities Administrator of the State of Washington issued Final Order, S-08-043-08-FO01, against New Wave Marine Propulsion, Inc. and Joseph Mueller d/b/a New Wave Propulsion.

Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division of the Department of Financial Institutions (“Securities Division”) and Respondents, New Wave Marine Propulsion, Inc. and Joseph Mueller d/b/a New Wave Propulsion, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondents neither admit nor deny the Findings of Fact and Conclusions of Law stated below.

FINDINGS OF FACT

I. RESPONDENTS

1. Joseph Mueller d/b/a New Wave Propulsion (“Mueller”), a Washington registered sole proprietorship, purports to be the President of New Wave Marine Propulsion, Inc. (New Wave Propulsion), with its principal place of business in Poulsbo, Washington. The Washington Secretary of State does not have any record for New Wave Marine Propulsion, Inc.

1 II. NATURE OF THE OFFERING

2 2. As late as January, 2008, Respondents caused to be placed on the internet through the
3 Seattle, Washington Financial Services section of www.craigslist.org, an advertisement offering a
4 “[I]arge return on your short term investment.”

5 3. The advertisement stated that Respondents were “in the process of closing a very
6 lucrative deal selling the rights to a High Tech product that we have developed.” Respondents had
7 purportedly “developed a Marine Hybrid system that would increase the range/gas mileage to 8 times
8 the current vessel capabilities (in vessels from 30’ to 70’). The people we are dealing with want to
9 sell the system in the UK and eastern USA. We will retain the Western US market and have the
10 Asian Market up for sell [sic] a few months after we get things up and running.” The advertisement
11 further stated that Respondents were looking for \$80,000 to \$120,000 with a rate of return of 100%;
12 that Respondent, Mueller, and his brother would secure the investment with their respective homes
13 on “a quick funding deal”; that Respondents didn’t have a lot of time and they needed liquidity for
14 travel and legal expenses to close the deal; and that repayment terms would be in the form of a
15 balloon payment within 12 months.

16 4. At least one potential Washington investor responded to the advertisement via email.
17 Mueller told the potential Washington investor that the deal they were working on was “a very
18 lucrative proposition and I have several companies waiting to see an operational model including the
19 US Navy.” Mueller also told the potential Washington investor that there was an option of changing
20 the investment “to an equity position and end up with 25% of the stock if you wish.” Lastly, Mueller
21 told the potential Washington investor that “[t]his isn’t a scam deal or other BS, I am sitting on a
22 massive venture and need the initial investment to get it off the ground and that is why I am willing
23 to deal!”
24
25

1 III. MISREPRESENTATIONS AND OMISSIONS

2 5. Mueller failed to provide material information regarding the New Wave Marine
3 Propulsion, Inc. investment, including, but not limited to, prospectus information such as financial
4 statements, use of proceeds, and general and specific risk factors involved in the investment.

5 IV. REGISTRATION STATUS

6 6. New Wave Marine Propulsion, Inc. is currently not registered to offer or sell its
7 securities in the State of Washington and has not previously been so registered.

8 7. New Wave Propulsion is currently not registered to offer or sell its securities in the
9 State of Washington and has not previously been so registered.

10 8. Joseph Mueller is not currently registered as a securities salesperson or
11 broker-dealer in the State of Washington and has not previously been so registered.

12
13
14 Based upon the Findings of Fact, the following Conclusions of Law are made:

15 **CONCLUSIONS OF LAW**

16 1. The offer and/or sale of the investments described above constitute the offer and/or
17 sale of a security as defined in RCW 21.20.005(10) and (12).

18 2. Joseph Mueller violated RCW 21.20.040 by offering and/or selling said securities
19 while not registered as a securities salesperson or broker-dealer in the State of Washington.

20 3. New Wave Marine Propulsion, Inc. violated RCW 21.20.140 by offering and/or
21 selling unregistered securities.

22 4. New Wave Propulsion violated RCW 21.20.140 by offering and/or selling
23 unregistered securities.

24 5. In connection with the offer and/or sale of said securities, Respondents, New Wave
25 Marine Propulsion, Inc. and Joseph Mueller d/b/a New Wave Propulsion have each violated RCW

1 21.20.010 because, as set forth in the Findings of Fact, Respondents made misstatements of material
2 facts and/or omitted to state material facts necessary in order to make the statements made, in light of
3 circumstances under which they were made, not misleading and/or engaged in acts and practices that
4 operated as fraud or deceit.

5
6 **CONSENT ORDER**

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

8 IT IS HEREBY AGREED AND ORDERED that the Respondents, New Wave Marine
9 Propulsion, Inc. and Joseph Mueller d/b/a New Wave Propulsion, and their agents and employees
10 each shall cease and desist from offering or selling securities in violation of RCW 21.20.140, the
11 securities registration section of the Securities Act of Washington.

12 IT IS FURTHER AGREED AND ORDERED that the Respondents, New Wave Marine
13 Propulsion, Inc. and Joseph Mueller d/b/a New Wave Propulsion, and their agents and employees
14 each shall cease and desist from acting as unregistered securities broker-dealers or salespersons in
15 violation of RCW 21.20.040, the broker-dealer and securities salesperson registration section of
16 the Securities Act of Washington.

17 IT IS FURTHER AGREED AND ORDERED that the Respondents, New Wave Marine
18 Propulsion, Inc. and Joseph Mueller d/b/a New Wave Propulsion, and their agents and employees
19 each shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities
20 Act of Washington.

21 IT IS FURTHER AGREED that the Respondents, New Wave Marine Propulsion, Inc. and
22 Joseph Mueller d/b/a New Wave Propulsion, shall be liable for and pay the Securities Division the
23 costs and other expenses incurred in the investigation of this matter in the amount of \$1500.

24 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, New Wave
2 Marine Propulsion, Inc. and Joseph Mueller d/b/a New Wave Propulsion, each waives their rights to
3 a hearing in this matter and judicial review of this Consent Order.

4 IT IS FURTHER AGREED that the Respondents, New Wave Marine Propulsion, Inc. and
5 Joseph Mueller d/b/a New Wave Propulsion, each enter into this Consent Order freely and
6 voluntarily.

7 The Securities Division hereby vacates Final Order, S-08-043-08-FO01.

8 DATED this 18th day of July, 2008

9 Signed by:

10 New Wave Marine Propulsion, Inc.

11
12 By _____ /s/
Joseph Mueller, President

13 Signed by:

14 Joseph Mueller d/b/a New Wave Propulsion


15
16 By _____ /s/
Joseph Mueller, individually

17 -----
18 SIGNED AND ENTERED this 18th day of July, 2008

19 

20 _____
MICHAEL E. STEVENSON
21 Securities Administrator

22 Approved by:

23 
Martin Cordell
24 Chief of Enforcement

25 Presented by:


Patrick Kim
26 Enforcement Attorney