

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order Number S-08-060-08-SC01
Whether there has been a violation of the)
Securities Act of the State of Washington by:) STATEMENT OF CHARGES AND NOTICE
) OF INTENT TO ENTER ORDER TO CEASE
) AND DESIST AND TO CHARGE COSTS
) AND IMPOSE FINES
Corey Pritchett)
Respondent)

THE STATE OF WASHINGTON TO: Corey Pritchett

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent, Corey Pritchett, has violated the Securities Act of Washington and that his violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 against him to cease and desist from such violations, imposing fines pursuant to RCW 21.20.395, and charging costs pursuant to RCW 21.20.390(5). The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. RESPONDENT

1. Corey Pritchett ("Pritchett") is a resident of the State of Oregon and is the pastor/evangelist for Northwest Deliverance Ministries. On January 16, 2008, Pritchett was sentenced in Multnomah County, Oregon, to 94 months in state prison for convictions of 32 counts including theft by deception, securities fraud, and other securities-related felonies.

1 Pritchett also faces an additional 25 charges of defrauding people in Clackamas County, Oregon.
2 That trial is currently set for March 4, 2008.

3 II. NATURE OF THE OFFERING

4 2. In 2005, Pritchett offered and sold a real estate related investment in the form of a
5 promissory note to at least one Washington investor. The investment made totaled at least
6 \$2,000. The Washington investor was not accredited or sophisticated in financial matters.

7
8 3. Pritchett told the Washington investor that the money would be used to “help with
9 the purchase of a home”, renovate it, and sell it for a profit. Pritchett also told the Washington
10 investor that he would receive a 30% return on his investment within one month, and that the
11 investment was guaranteed. The Washington investor did not participate in the management of
12 the investment. The Washington investor was not provided with any offering documents,
13 financial statements or other written documentation. On December 6, 2005, the Washington
14 investor provided written notice to Pritchett demanding a refund of his investment money.
15 Pritchett has not responded to the refund request.

16 III. MISREPRESENTATIONS AND OMISSIONS

17 4. Pritchett failed to provide material information regarding the investment
18 including, but not limited to, prospectus information such as the specific use of the proceeds of
19 the offering, financial statements, and general and specific risk factors involved in the
20 investment.
21

22 IV. REGISTRATION STATUS

23 5. Corey Pritchett is not currently registered as a securities salesperson or
24 broker-dealer in the State of Washington and has not previously been so registered.
25

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

2 **CONCLUSIONS OF LAW**

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

5 2. In connection with the offer and sale of said securities, Respondent, Corey
6 Pritchett, violated RCW 21.20.010 because, as set forth in the Tentative Findings of Fact,
7 Respondent made misstatements of material facts and/or omitted to state material facts necessary
8 in order to make the statements made, in light of circumstances under which they were made, not
9 misleading and/or engaged in acts and practices that operated as fraud or deceit.
10

11 3. Corey Pritchett violated RCW 21.20.140 by offering and selling unregistered
12 securities.

13 4. Corey Pritchett violated RCW 21.20.040 by offering and selling said securities
14 while not registered as a securities salesperson or broker-dealer in the State of Washington.

15 **NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST**

16 Pursuant to RCW 21.20.390 and based on the above Tentative Findings of Fact and
17 Conclusions of Law, the Securities Administrator intends to order that Respondent, Corey
18 Pritchett, and his agents and employees shall cease and desist from violations of RCW
19 21.20.010, RCW 21.20.140 and RCW 21.20.040.
20

21 **NOTICE OF INTENT TO IMPOSE FINES**

22 Pursuant to RCW 21.20.395 and based upon the Tentative Findings of Fact and
23 Conclusions of Law, the Securities Administrator intends to order that Respondent, Corey
24 Pritchett, shall be liable for and pay a fine of \$2,000.

25 **NOTICE OF INTENT TO CHARGE COSTS**

1 Pursuant to RCW 21.20.390 and based upon the Tentative Findings of Fact and
2 conclusions of Law, the Securities Administrator intends to order that Respondent, Corey
3 Pritchett, shall be liable for and pay the Securities Division the costs, fees and other expenses
4 incurred in the conduct of the administrative investigation and hearing of this matter, in an
5 amount not less than \$1,000.

6 **AUTHORITY AND PROCEDURE**

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8 This STATEMENT OF CHARGES AND NOTICE OF INTENT TO ISSUE AN
9 ORDER TO CEASE AND DESIST, IMPOSE FINES, AND CHARGE COSTS is entered
10 pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395 and is subject to the
11 provisions of Chapter 34.05 RCW. The Respondent, Corey Pritchett, may make a written
12 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
13 OPPORTUNITY FOR HEARING accompanying this Order.

14 If the Respondent does not request a hearing, the Securities Administrator intends to
15 adopt the above Tentative Findings of Fact and Conclusions of Law as final, enter a permanent
16 order against the Respondent to cease and desist from violations of the Securities Act of
17 Washington and enter an order imposing the fine and charging costs, as described above.

18 DATED AND ENTERED this 25th day of February, 2008

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21 MICHAEL E. STEVENSON
22 Securities Administrator

Presented by:

23 

24 Patrick Kim
25 Enforcement Attorney

Approved by:

23 

24 Martin Cordell
25 Chief of Enforcement