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

IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of Washington by:

Order Number S-08-167-10-CO01

CONSENT ORDER

Wildflower, LLC and Raymond J. Goad,

Respondents

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INTRODUCTION

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On April 19, 2010, the Securities Administrator of the State of Washington issued Order Number S-08-167-10-SC01, Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist and to Impose a Fine against Respondents, Wildflower, LLC and Raymond J. Goad. Pursuant to the Securities Act of Washington, chapter 21.20 RCW, the Securities Division of the Department of Financial Institutions (“Securities Division”) and Respondents, Wildflower, LLC and Raymond J. Goad, 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.

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FINDINGS OF FACT

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Respondents and Related Company

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1. Wildflower, LLC (“Wildflower”) held itself out as a Nevis, West Indies limited liability company that was a passive offshore investment company. From at least 2002 until 2006, Wildflower did business in Dallas, Texas.

1 Offer and Sale of a Wildflower Investment

2 5. During 2002, Respondents, Wildflower and Goad, offered and sold more than \$90,000 worth of
3 “preferred stock” in Wildflower to a Washington investor. The investor purchased the “preferred stock”
4 for their IRA account.

5 Misrepresentations and Omissions

6 6. When offering and selling the Wildflower investment to the Washington investor, Respondents,
7 Wildflower and Goad, each misrepresented to the investor that Wildflower would be starting resort
8 construction sometime soon and that the investment would be a safe investment for retirement funds.

9 7. When offering and selling the Wildflower investment to the Washington investor, Respondents,
10 Wildflower and Goad, each failed to disclose to the investor that a limited liability company generally
11 does not issue stock, but instead issues membership interests that have special tax consequences.

12 Wildflower and Goad each failed to disclose to the investor the type of “preferences” that the investor
13 would receive for her investment.

14 8. When offering and selling the Wildflower investment to the Washington investor, Respondents,
15 Wildflower and Goad, each failed to disclose significant risks of the investment. Wildflower and Goad
16 each failed to disclose to the investor the expected use of the investor’s funds. Wildflower and Goad each
17 failed to disclose to the investor that the investment might be illiquid and nontransferable. Wildflower and
18 Goad each failed to disclose that it would cost a minimum of \$200 million to build the proposed resort and
19 that an investor could lose their entire investment if Wildflower did not raise enough money to build the
20 resort. Wildflower and Goad each failed to disclose that prior developers, including one developer that
21 Goad had previously worked for, had tried to develop a resort at the same location and that each developer

1 had been unsuccessful. Wildflower and Goad each failed to disclose that Wildflower would not own the
2 lease for the land where the “Wildflower Resort” was to be constructed.

3 9. Wildflower and Goad each failed to give the investors any financial statements for Wildflower.
4 Wildflower and Goad each failed to disclose that the price of the “preferred stock” was an arbitrary
5 amount that had no relationship to the value of the company or the investment.

6 10. Wildflower and Goad each failed to disclose to the investor that Goad had previously been
7 engaged in the business of real estate development and had issued to more than five investors more than
8 \$300,000 worth of promissory notes with annual interest rates ranging from 20% to 30% and was unable
9 to repay the notes. The notes were to have been repaid from the development and sale of various real
10 estate projects. Wildflower and Goad each failed to disclose to the investor that Goad had been unable to
11 sell the real estate development projects and that Goad had filed for personal bankruptcy in 1999.

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

13 **CONCLUSIONS OF LAW**

14 1. The offer and sale of the Wildflower investment described above constitutes the offer or sale of a
15 security, as defined in RCW 21.20.005(10) and (12), whether in the form of stock, an investment contract,
16 or risk capital.

17 2. As set forth above in the Findings of Fact, Respondents, Wildflower and Goad, have each offered
18 and sold unregistered securities in violation of RCW 21.20.140, the securities registration section of the
19 Securities Act of Washington.

20 3. As set forth above in the Findings of Fact, Respondents, Wildflower and Goad, have each made
21 untrue statements of material fact or omitted to state material facts necessary in order to make the
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1 statements made, in the light of the circumstances under which they are made, not misleading, in violation
2 of RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

3 **CONSENT ORDER**

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

5 IT IS AGREED AND ORDERED that Respondents, Wildflower, LLC and Raymond J. Goad, and
6 their agents and employees each shall cease and desist from offering or selling securities in violation of
7 RCW 21.20.140, the securities registration section of the Securities Act of Washington.

8 IT IS FURTHER AGREED AND ORDERED that Respondents, Wildflower, LLC and Raymond
9 J. Goad, and their agents and employees each shall cease and desist from offering or selling securities in
10 violation of RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

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

12 IT IS FURTHER AGREED that in consideration of the foregoing Respondents, Wildflower, LLC
13 and Raymond J. Goad, each hereby waive their rights to a hearing in this matter and to judicial review of
14 this order.

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

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17 SIGNED this ___28th___ day of _____June_____, 2010

18 Signed by:

19 Wildflower, LLC

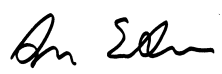
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21 By /s/ Raymond J. Goad _____
22 Raymond J. Goad, President

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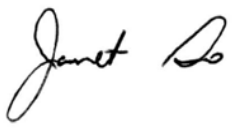
/s/ Raymond J. Goad _____
Raymond J. Goad, individually

SIGNED and ENTERED this 1st day of July, 2010



SUZANNE E. SARASON
Chief of Enforcement

Presented by:



Janet So
Enforcement Attorney