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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 the State
of Washington by:

Spellbinder Funding, LLC;
Dennis C. Healey
Respondents.

Order Number S-08-221-09-FO01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER
TO CEASE AND DESIST

THE STATE OF WASHINGTON TO:

Spellbinder Funding, LLC
Dennis C. Healey

On March 23, 2009, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, Impose Fines, and Charge Costs (“Statement of Charges”) against Dennis C. Healey and Spellbinder Funding LLC. S-08-221-08-SC01 .

The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing (“Notice of Opportunity for Hearing”) and an Application for Adjudicative Hearing (“Application for Hearing”) were personally served on Dennis C. Healey and Spellbinder Funding, LLC on May 21, 2009.

The Notice of Opportunity for Hearing advised Dennis C. Healey and Spellbinder Funding, LLC that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of receipt of the notice. Dennis C. Healey and Spellbinder Funding, LLC each failed to request an administrative hearing within twenty days of receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided or otherwise.

ENTRY OF FINDINGS OF FACT AND
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ORDER TO CEASE AND DESIST

1 The Securities Administrator therefore will adopt as final the findings of fact and conclusions of law
2 as set forth in the Statement of Charges.

3 The Securities Administrator makes the following findings of fact and conclusions of law:

4 **FINDINGS OF FACT**

5 Respondents

6
7 1. Spellbinder Funding, LLC (“Spellbinder Funding”) was a Nevada limited liability company
8 with its principal place of business in Las Vegas, Nevada.

9 2. Dennis C. Healey (“Healey”) was manager and agent of Spellbinder Funding. Healey is
10 believed to be a resident of Nevada. Spellbinder Funding and Healey offered and sold investment units in a
11 Las Vegas show, called Spellbinder, to at least one Washington resident.
12

13 Nature of the Offering

14 3. In early 2004, a representative for Spellbinder Funding made an unsolicited phone call to a
15 Washington resident to offer an investment unit in a “magically themed rock musical experience”
16 combining rock n’ roll music, magical illusions, and dramatic theatre.
17

18 4. The representative for Spellbinder Funding mailed or caused to be mailed to the Washington
19 resident offering materials related to Spellbinder. Those materials included a summary of the company, a
20 biography on the producer of the show, a comparison to other magic acts, revenue and distribution
21 projections, and a subscription agreement with a purchaser questionnaire.

22 5. Spellbinder Funding, LLC’s Revenue and Distributions Projection showed a “Return on
23 Investment in Spellbinder Funding, LLC” of 63.15% the first year, 132.89% the second year, 309.20% the

24 ENTRY OF FINDINGS OF FACT AND
25 CONCLUSIONS OF LAW AND FINAL
26 ORDER TO CEASE AND DESIST

1 third year, 426.64% the fourth year, and 426.64% the fifth year. The offering materials provided no basis
2 for these projections.

3 6. The offering materials stated that the production had an “earning potential of revenue in
4 excess of 200 million dollars during the next five years.” The materials also expressed a belief that no
5 competition existed for this type of show.

6 7. The subscription agreement allowed an investor to purchase Limited Liability Interests
7 (“Units”) in Spellbinder Funding, LLC. The purchase price for each unit was \$10,000.

8 8. Based on the representations the Washington resident, a 64 year old retired man, sent the
9 subscription agreement and \$10,000 in two installments to Spellbinder Funding for an investment in
10 Spellbinder Funding. The first installment of \$5,000 was sent in or about June 2004 and the second
11 installment of \$5,000 was sent in August 2004.

12 9. The Washington investor had no prior investment experience with magic acts, Las Vegas
13 shows, or entertainment productions of any kind.
14

15 Misrepresentations and Omissions

16 10. Spellbinder failed to provide material information regarding the investment, including, but
17 not limited to, a reasonable basis for its projections and any limitations on those projections.
18

19 Registration Status

20 11. Spellbinder Funding, LLC is not currently registered to sell its securities in the State of
21 Washington and has not previously been so registered.

22 12. Dennis C. Healey is not currently registered as a securities salesperson or broker-dealer in the
23 State of Washington and has not previously been so registered.

Failure to Comply With Regulation D Rule 506

1
2 13. Spellbinder Funding, LLC claimed an exemption from registration of the Spellbinder
3 Funding, LLC offering under Regulation D Rule 506 with a notice filing submitted to the Securities
4 Administrator on March 1, 2004.

5 14. Regulation D Rule 506 prohibits the issuer or any person acting on behalf of the issuer to
6 offer or sell securities by any form of general solicitation. Spellbinder Funding, LLC and its agents offered
7 securities making unsolicited telephone calls.

Other Actions

8
9 15. On June 23, 2004, the State of Wisconsin, Department of Financial Institutions, Division of
10 Securities, issued an Order of Prohibition and Revocation, Order No. S-03266(EX), against Spellbinder
11 Funding, LLC and Dennis C. Healey for offering and selling unregistered securities because of a failure to
12 qualify for a Regulation D exemption based upon Spellbinder Funding, LLC's general solicitation.

13
14 16. On September 24, 2004, the State of Montana, State Auditor and Commissioner of
15 Securities, issued an Order to Cease and Desist, Order No. 2004-35, against Spellbinder Funding, LLC and
16 Dennis C. Healey for offering and selling unregistered securities because of a failure to qualify for a
17 Regulation D exemption based upon Spellbinder Funding, LLC's general solicitation.

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

CONCLUSIONS OF LAW

19
20 1. The offer or sale of Spellbinder Funding, LLC units described above constituted the offer or
21 sale of a security as defined in RCW 21.20.005(10) and (12).

22
23
24 ENTRY OF FINDINGS OF FACT AND
25 CONCLUSIONS OF LAW AND FINAL
26 ORDER TO CEASE AND DESIST

1 It is further ORDERED that Respondent Dennis C. Healey shall be liable for and pay a fine in the
2 amount of \$10,000.

3 It is further ORDERED that Respondent Spellbinder Funding, LLC shall be liable for and pay a
4 fine in the amount of \$10,000.

5 It is further ORDERED that Respondents Dennis C. Healey and Spellbinder Funding, LLC shall
6 be jointly and severally liable for and pay costs in the amount of \$1,000.

7
8 **AUTHORITY AND PROCEDURE**

9 This Final Order is entered pursuant to the provisions of RCW 21.20.110 and 21.20.390, and is
10 subject to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. Respondents have the right to
11 petition the superior court for judicial review of this agency action under the provisions of chapter 34.05
12 RCW. For the requirements for filing a Petition for Judicial Review, see RCW 34.050.510 and sections
13 following. Pursuant to 21.20.395, a certified copy of this order may be filed in Superior Court. If so
14 filed, the clerk shall treat the order in the same manner as a Superior Court judgment as to the fine,
15 and the fine may be recorded, enforced, or satisfied in like manner.

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

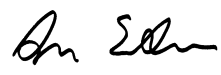
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18 DATED and ENTERED this 30th day of July, 2009.

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22 _____
23 MICHAEL E. STEVENSON
24 Securities Administrator

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Approved by:



Suzanne Sarason
Chief of Compliance

Presented by:



Jack McClellan
Enforcement Attorney