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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:

Bruce White

Respondents.

Order Number S-08-381-09-FO01

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

THE STATE OF WASHINGTON TO:

Bruce White

On March 6, 2009, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose Fines, and to Charge Costs ("Statement of Charges") against Bruce White.

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 served on Bruce White on March 24, 2009.

On April 10, 2009 the Securities Division received an Application for Adjudicative Hearing from Bruce White. Respondent Bruce White waived the right to a hearing in this matter, and in lieu thereof, submitted a written statement for consideration by the Securities Administrator.

After considering the written statement, the Securities Administrator makes the following findings of fact and conclusions of law:

ENTRY OF FINDINGS OF FACT AND  
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ORDER TO CEASE AND DESIST

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## FINDINGS OF FACT

### Respondent

1. Bruce White (“White”) is believed to be a real estate developer and resident of the State of Florida.

### Nature of the Conduct

2. In or about May 2008 White ran an ad on the craigslist website for the Seattle-Tacoma area seeking an investor for an 18 acre subdivision project located in Lower Nahiku, Maui, Hawaii.

3. Investor A, a Washington resident, responded to the advertisement via email and requested further detail. White emailed Investor A and explained that the loan for the Lower Nahiku development project had gone into foreclosure and White wanted an investor to ensure that he did not lose the property. White sought \$393,000 from an investor in order to bring his loan current, make 18 months of advance mortgage payments, and pay various other fees to finish subdivision of the property. White also told Investor A that he had a majority ownership in a real estate development in Florida.

4. White stated in an email that he planned to divide the 18 acres into three parcels (2.83 acres, 3.17 acres, 12 acres). White offered the 2.83 acre parcel in return for the \$393,000. White planned to release the parcel to the investor after he brought the loan current and finished the subdivision process. White informed Investor A that he had all the necessary permits to subdivide the land. White estimated the process to take approximately 3 months.



1 to subdivide would have to go through a public comment period likely to generate vehement objections  
2 from the local community.

3 10. Investor A decided not to invest and sent an email via his girlfriend to White declining the  
4 deal on June 6, 2008. White has not returned the \$5,000 binder to Investor A as agreed to under the  
5 Reservation Agreement.

6 11. White claims that he offered various options to Investor A to deal with the conservation land  
7 issue. White also claims that he offered to return Investor A's deposit on June 27, 2008, but Investor A  
8 chose to continue working toward a deal. White states that approximately one month later, Investor A  
9 backed out of the deal and requested his deposit back. White states that he did not return the deposit  
10 because Investor A decided to go forward with the deal after the June 6, 2008 deadline and then withdrew  
11 after White had turned away other interested parties.

12 12. The advertisement for the property no longer appears on craigslist, but as of the date of the  
13 Statement of Charges, White continued to advertise the investment on various other websites, including  
14 [www.landandfarm.com](http://www.landandfarm.com); [www.stumblehere.com](http://www.stumblehere.com); and [www.landwatch.com](http://www.landwatch.com). The terms differed slightly  
15 from those presented to Investor A. White now seeks up to \$550,000 for the Lower Nahiku project and  
16 promises the return of principal, plus 10% interest, and a 5 acre parcel.  
17

#### 18 Misrepresentations and Omissions

19 13. Respondent Bruce White failed to provide material information regarding investment in the  
20 Lower Nahiku project, including but not limited to: financial statements, the general risks of investing, and  
21 the specific risks of investing in a subdivision project in Hawaii.  
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1 14. Respondent Bruce White misrepresented that he obtained all the preliminary permits and  
2 approvals for the Lower Nahiku project when in fact White lacked necessary permits to subdivide the land.

3 15. Respondent Bruce White failed to disclose that the subject property included conservation  
4 land that likely cannot be subdivided.

5 Registration Status

6 16. Bruce White is not currently registered to offer or sell securities in the State of Washington  
7 and has not previously been so registered.

8 17. Bruce White is not currently registered as a securities salesperson or broker-dealer in the  
9 state of Washington and has not previously been so registered.

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

11  
12 **CONCLUSIONS OF LAW**

13 1. The offer or sale of the parcel in the Lower Nahiku project as described above constitutes the  
14 offer or sale of a security as defined in RCW 21.20.005(10) and (12).

15 2. Respondent, Bruce White, violated RCW 21.20.140, the securities registration provision of  
16 the Securities Act, because he offered and/or sold securities for which there was no registration on file with  
17 the Securities Administrator.

18 3. Respondent Bruce White violated RCW 21.20.040, the securities salesperson registration  
19 provision of the Securities Act, because he offered and/or sold securities while not registered as a securities  
20 salesperson or broker-dealer in the state of Washington.

21 4. The offer or sale of said securities violated RCW 21.20.010 because, as set forth in the  
22 Tentative Findings of Fact, Respondent Bruce White, in connection with the offer or sale of said securities

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1 directly or indirectly made untrue statements of material fact or omitted to state material facts necessary in  
2 order to make the statements made, in light of the circumstances under which they were made, not  
3 misleading.

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

5 **FINAL ORDER**

6 It is hereby ORDERED that the Respondent, Bruce White, his agents, and employees each cease  
7 and desist from violation of RCW 21.20.140, the securities registration section of the Securities Act.

8 It is further ORDERED that Respondent Bruce White, his agents and employees, each cease and  
9 desist from violation of RCW 21.20.040, the broker-dealer and securities salesperson registration  
10 section of the Securities Act.

11 It is further ORDERED that Respondent Bruce White, his agents and employees, each cease and  
12 desist from violation of RCW 21.20.010, the anti-fraud section of the Securities Act.

13 It is further ORDERED that Respondent Bruce White shall be liable for and pay a fine in the  
14 amount of \$5,000.

15 It is further ORDERED that Respondent Bruce White shall be liable for and pay costs in the  
16 amount of \$2,000.

17 **AUTHORITY AND PROCEDURE**

18 This Final Order is entered pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395  
19 and is subject to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. The Respondent has the  
20 right to petition the superior court for judicial review of this agency action under the provisions of chapter  
21 34.05 RCW. For the requirements for filing a Petition for Judicial Review, see RCW 34.050.510 and  
22 34.05 RCW.

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1 sections following. Pursuant to 21.20.395, a certified copy of this order may be filed in Superior Court.  
2 If so filed, the clerk shall treat the order in the same manner as a Superior Court judgment as to the fine,  
3 and the fine may be recorded, enforced, or satisfied in like manner.

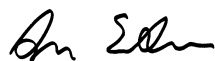
4 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

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6 DATED and ENTERED this 12<sup>th</sup> day of May, 2009.

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10 \_\_\_\_\_  
11 MICHAEL E. STEVENSON  
12 Securities Administrator

13 Approved by:

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15 \_\_\_\_\_  
16 Suzanne Sarason  
17 Chief of Enforcement

18 Presented by:

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20 \_\_\_\_\_  
21 Jack McClellan  
22 Financial Legal Examiner

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