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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:

Carrington Capital, LLC and Brenda Kay
Carrington,

Respondents

Order Number S-08-386-09-CO01

CONSENT ORDER

INTRODUCTION

Pursuant to the Securities Act of Washington, chapter 21.20 RCW, the Securities Division of the Department of Financial Institutions (“Securities Division”) and Respondents, Carrington Capital, LLC and Brenda Kay Carrington, 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

Respondents

1. Carrington Capital, LLC (“Carrington Capital”) is an Oregon limited liability company that was formed on July 23, 2007 and was administratively dissolved on September 19, 2008. Carrington Capital was formed to raise money for real estate development projects.

2. Brenda Kay Carrington (“Carrington”) was a managing member of Carrington Capital, LLC. Carrington is a Washington resident and has been a Washington resident at all times relevant to this Consent Order.

1 Offering of Investments

2 3. During 2007, Carrington and Carrington Capital each offered investment opportunities to three
3 Oregon residents, who decided not to invest.

4 4. In August 2007, Carrington offered and sold a \$10,000 promissory note to a Washington investor.
5 The note was issued by Carrington Capital and the investor was relying upon Carrington Capital to
6 generate a return on the investment. The note had a one-year term and an annual interest rate of 15%.
7 When offering and selling the note, Carrington and Carrington Capital each failed to disclose the specific
8 intended use of the investor funds, the minimum amount of funds required to complete a specific project,
9 the risks of the investment, and the operating history of Carrington Capital. Carrington and Carrington
10 Capital each failed to disclose that Carrington had filed for personal bankruptcy in 1999. Carrington and
11 Carrington Capital each failed to give the investor a financial statement for Carrington Capital and each
12 failed to disclose that the investor could lose the entire amount invested because the company might not
13 have sufficient funds to start and complete a project. To date, the investor has not received any return on
14 the investment.

15 5. During 2007 and 2008, Carrington Capital solicited investments through an Internet website at
16 <http://www.knowledgepowerfreedom.com>. The website stated that Carrington was the “President” of
17 Carrington Capital. The website stated that Carrington Capital was looking for investors that were
18 searching for “high return investments” in commercial real estate projects. One of the projects described
19 was an Idaho water park. However, the pictures that were posted on the website were for an existing
20 water park located in Rochester, Washington. The website did not explain that the picture that was posted
21 was for an existing water park that had no relationship to the planned project. The website did not provide
22 any information about the project costs or the risks of the purported Idaho project. The “news” section of

1 the website showed that as of October 18, 2008, Carrington Capital was going to commence a Rule 506,
2 Regulation D “private placement” to raise capital for the Idaho water park.

3 Registration Status

4 6. Carrington Capital, LLC is not currently registered to sell its securities in the state of
5 Washington and has not previously been so registered. There is no notification of exemption on file
6 with the State of Washington.

7 7. Brenda Kay Carrington is not registered as a securities broker-dealer or a securities salesperson in
8 the State of Washington and has not previously been so registered.

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

10 **CONCLUSIONS OF LAW**

11 1. The offer and/or sale of the investments described above constitutes the offer and sale of a
12 security as defined in RCW 21.20.005(10) and (12), whether in the form of a note, an investment contract
13 or risk capital.

14 2. Carrington Capital, LLC and Brenda Kay Carrington have each violated RCW 21.20.140 because
15 no registration for such offer and/or sale is on file with the Washington Securities Administrator.

16 3. Brenda Kay Carrington has violated RCW 21.20.040 by offering and/or selling said securities
17 while not registered as a securities broker-dealer or securities salesperson in the State of Washington.

18 4. Carrington Capital, LLC and Brenda Kay Carrington have each violated RCW 21.20.010 because
19 Respondents each made untrue statements of material fact or omitted to state material facts necessary in
20 order to make the statements made, in the light of the circumstances under which they were made, not
21 misleading.

1 **CONSENT ORDER**

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

3 IT IS AGREED AND ORDERED that Respondents, Carrington Capital, LLC and Brenda Kay
4 Carrington, and their agents and employees, each shall cease and desist from offering or selling
5 securities in violation of RCW 21.20.140, the securities registration section of the Securities Act of
6 Washington.

7 IT IS FURTHER AGREED AND ORDERED that Respondent, Brenda Kay Carrington, and her
8 agents and employees, each shall cease and desist from acting as an unregistered securities broker-dealer
9 or securities salesperson in violation of RCW 21.20.040, the securities broker-dealer and salesperson
10 registration section of the Securities Act of Washington.

11 IT IS FURTHER AGREED AND ORDERED that Respondents, Carrington Capital, LLC and
12 Brenda Kay Carrington, and their agents and employees, each shall cease and desist from violating RCW
13 21.20.010, the anti-fraud section of the Securities Act of Washington.

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

15 IT IS FURTHER AGREED that Respondents, Carrington Capital, LLC and Brenda Kay Carrington,
16 each enter into this Consent Order freely and voluntarily and with a full understanding of its terms and
17 significance.

18 IT IS FURTHER AGREED that in consideration of the foregoing Respondents, Carrington Capital,
19 LLC and Brenda Kay Carrington, each waive their rights to a hearing in this matter and to judicial
20 review of this matter pursuant to RCW 21.20.440 and ch. 34.05 RCW.

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

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SIGNED this 6 day of July , 2009

Signed by:
Carrington Capital, LLC

By /s/ Brenda K. Carrington_____
Brenda K. Carrington, managing member

Signed by:

/s/ Brenda K. Carrington_____
Brenda K. Carrington, individually

SIGNED and ENTERED this 21st day of October, 2009

Michael E. Stevenson

MICHAEL E. STEVENSON
Securities Administrator

Approved by:

Suzanne E. Sarason

Suzanne E. Sarason
Chief of Enforcement

Presented by:

Janet So

Janet So
Enforcement Attorney

Reviewed by:

Martin Cordell

Martin Cordell
Financial Legal Examiner Supervisor