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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:

Progolf International, Inc.; Ron Davies,

Respondents.

Order Number S-09-419-09-SC01

**STATEMENT OF CHARGES AND NOTICE
OF INTENT TO ISSUE AN ORDER TO
CEASE AND DESIST, IMPOSE FINES,
AND CHARGE COSTS**

THE STATE OF WASHINGTON TO:

Progolf International, Inc.
Ron Davies

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents Progolf International, Inc. and Ron Davies have each violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 against each to cease and desist from such violations, and to impose fines and recover costs. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

1. Progolf International, Inc. ("Progolf"), incorporated in California on December 12, 2003, maintains a principal place of business at 2252 Gunar Dr., San Jose, California.
2. Ron Davies ("Davies") is the founder and President of Progolf. Davies resides in California.

Nature of the Offering

3. Respondent Davies needed approximately \$250,000 to fund his start-up company, Progolf. Progolf was created in order to manufacture the “icady” product. The icady is a motorized caddie designed for golfers who want to walk the golf course, but who do not want to pack, pull or push their equipment. Two investors located in Washington, as the sole investors in Progolf, invested funds to be used as working capital. At least one of the investors was not a sophisticated investor.

4. Respondent Davies was introduced to a Washington resident, “Resident A,” through a mutual friend. In January 2004, Resident A and his purported girlfriend met with Respondent Davies at his office in California to discuss the investment, which was in the form of a promissory note with a 20% per annum interest rate. Respondent Davies showed Resident A and his purported girlfriend a prototype of the icady product, and discussed the prospect of renting icadys at golf courses across the nation.

5. Resident A’s purported girlfriend told her co-worker and fellow Washington resident, “Resident B,” about the investment opportunity with Progolf. At the time, Resident B was experiencing neurological problems, including confusion, disorientation, and loss of memory. Resident B had recently come into an inheritance, and was looking for investment opportunities. Resident B did not speak with Respondent Davies prior to making an investment in Progolf.

6. In January and February 2004, a corporation located in Washington, of which Resident A is the President, invested a total of \$100,000 in Progolf. During the same time period, Resident B invested a total of \$150,000 in Progolf. No disclosure documents were provided to the investors prior to their investments. The investments are evidenced by unsecured promissory notes. The promissory notes all have an interest rate of 20% per annum, and a maturity date of January 22, 2007.

1 3. The offer and sale of said promissory notes were in violation of RCW 21.20.040 because
2 Ron Davies offered and sold the promissory notes while not registered as a securities salesperson or
3 broker-dealer in the State of Washington.

4 4. The offer and sale of said securities were in violation of RCW 21.20.010 because, as set
5 forth in the Tentative Findings of Fact, Respondents made misstatements of material fact or omitted to
6 state material facts necessary in order to make the statements made, in light of the circumstances under
7 which they were made, not misleading.

8 **NOTICE OF INTENT TO ISSUE AN ORDER TO CEASE AND DESIST**

9 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities
10 Administrator intends to order that Respondents Proggolf International, Inc. and Ron Davies, and their
11 agents and employees, shall each cease and desist from violations of RCW 21.20.140, RCW 21.20.040
12 and RCW 21.20.010.

13 **NOTICE OF INTENT TO IMPOSE FINES**

14 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions
15 of Law, the Securities Administrator intends to order that the Respondents Proggolf International, Inc. and
16 Ron Davies shall each be liable for and pay a fine of \$5,000.

17 **NOTICE OF INTENT TO CHARGE COSTS**

18 Pursuant to RCW 21.20.390(5), and based upon the above Tentative Findings of Fact and
19 Conclusions of Law, the Securities Administrator intends to order that the Respondents Proggolf
20 International, Inc. and Ron Davies shall be liable for and pay the Securities Division the costs, fees and
21 other expenses incurred in the conduct of the investigation of this matter in an amount not less than \$500.

22 **AUTHORITY AND PROCEDURE**


1 This Statement of Charges is entered pursuant to the provisions of RCW 21.20.390 and RCW
2 21.20.395, and is subject to the provisions of RCW 21.20.440 and RCW 34.05. The Respondents may
3 each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND
4 AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

5 If a Respondent does not request a hearing, the Securities Administrator intends to adopt the above
6 Tentative Findings of Fact and Conclusions of Law as final, enter a final cease and desist order, and
7 impose the fines and costs sought as to that Respondent.

8
9 DATED AND ENTERED this 2nd day of February, 2010.

10 
11 By _____
12 SUZANNE SARASON
13 Chief of Enforcement

14 Presented by:

15 
16 _____
17 Bridgett Fisher
18 Enforcement Attorney