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

IN THE MATTER OF DETERMINING) Order No.: S-11-0593-13-CO01
whether there has been a violation of the)
Securities Act of Washington by:)
iCooper, Inc.; Ken Hines; and Christopher Clark,) CONSENT ORDER AS TO CHRISTOPHER CLARK
Respondents.)

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INTRODUCTION

On September 17, 2013, the Securities Administrator of the Securities Division of the Department of Financial Institutions (“Securities Division”) issued a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, To Impose Fines and To Charge Costs, Order Number S-11-0593-13-SC01, against Respondents, Ken Hines, Christopher Clark, and iCooper, Inc. Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division and Respondent, Christopher Clark, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondent, Christopher Clark, neither admits nor denies the Findings of Fact and Conclusions of Law as stated below.

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FINDINGS OF FACT

Respondents

1. iCooper, Inc. (“iCooper”) is an inactive Washington corporation with its principal place of business in Washougal, WA. The company was in the business of developing applications for handheld mobile devices, with an initial focus on data collection applications for trucking operators. The company was founded in July 2008.
2. Ken Hines (“Hines”) was the president, CEO, and a promoter of iCooper. Hines was also a member of iCooper’s Board of Directors. Hines is a Washington resident.
3. Christopher Clark (“Clark”) was iCooper’s Sales Director. Clark is a Washington resident.

Nature of the Offering

4. Between 2008 and 2011, Respondents offered and sold over \$985,000 of iCooper stock to over 25 investors, of whom at least 21 were Washington residents. Respondents also sold iCooper stock to residents of Tennessee and Oregon. At least 5 investors were not accredited. Respondents offered investors up to \$1,000,000 in Series A

1 restricted stock with a \$10,000 minimum purchase amount.

2 5. Respondents presented iCooper as a startup technology company focused on developing and selling
3 applications for the Apple iPhone. The company's core product was an electronic daily log for truck drivers.
4 Respondents represented to prospective investors that iCooper would use their investment funds to develop, program,
5 and market its products.

6 6. To find prospective investors, Hines and Clark contacted their friends, family, and acquaintances. Several
7 prospective investors then referred Respondents to their friends and associates as additional prospective investors.
8 On at least one occasion, Hines requested an investor to identify other prospective investors. Some prospective
9 investors made referrals that led to iCooper investments. Hines and Clark typically disseminated offering materials to
10 prospective investors in person and over email. Generally, after Respondents provided offering materials to
11 prospective investors for review, they had prospective investors sign and return the documents with a check for the
12 investment funds.

13 7. For their investment, Respondents represented that investors were getting in at the ground floor of a company
14 bound for success before going public. Respondents also represented that investors could reap profits of many times
15 their principal investments after an initial public offering. Further, Hines represented to prospective investors that an
16 increase in iCooper's stock value was imminent due to expectations of substantial investments and negotiated
17 arrangements with interested companies, including Apple, Inc. and prospective consumers of iCooper's products.

18 8. Besides the predicted rise in stock value, Respondents projected to prospective investors that iCooper would
19 generate total annual revenues of over \$27.6 million by 2012. Respondents also projected that iCooper's cash
20 balance would, after 4 years, grow from a negative balance to over \$58 million. Respondents further projected that
21 their core application would produce nearly \$5 million in sales by 2010 and would grow more than 10% each year,
22 up to \$8 million by 2014.

23 9. In addition to profits and revenues, Respondents told prospective investors that proprietary information was a
24 means for iCooper to "secure a prominent place in society." As early as September 2008, Respondents claimed that
25 iCooper had a patented iPhone application process, that it owned patents, and that it held a patent pending.

1 10. As another investment incentive, Hines offered prospective investors additional shares at no extra cost for
2 early or large investments. In one case, Hines convinced an investor ready to purchase 10,000 shares for \$10,000 to
3 invest an additional \$10,000 for 25,000 shares. For the additional investment, Hines promised not only that the
4 investor would receive 5,000 bonus shares, but that iCooper would, within one year, repurchase \$10,000 worth of the
5 investor's stock. Hines made similar promises to other investors, but later reneged on these promises. Similarly,
6 Hines offered at least one investor a position on the board of directors for an additional investment.

7 11. In another case, Hines agreed that iCooper would repurchase \$25,000 worth of stock once an investor's stock
8 value increased to \$35,000. The investor specifically requested this repurchase agreement because he had been
9 saving the investment funds to remodel his house and build a barn. Hines also told this investor that, within six
10 months, he would recoup his full investment, that the value of his investment would at least double, and that he
11 would not lose money. Hines told the investor that multiple companies were ready to purchase iCooper's application
12 upon its release, including local hospitals, United Parcel Service of America, Inc., and Apple, Inc.

13 12. In early 2010, iCooper decided to take out a loan to cover its capital needs. As collateral for the loan, iCooper
14 pledged all of its assets. The company later defaulted on the loan and lost all of its assets. Afterward, iCooper
15 became inactive and never repaid its investors.

16 Misrepresentations and Omissions

17 13. When soliciting investment in iCooper, Respondents failed to adequately disclose material information to
18 prospective investors regarding the risks associated with the investment, including the risk of dilution from the
19 issuance of additional or bonus shares of stock. Respondents also failed to disclose that iCooper could pledge its
20 assets as collateral in loan agreements and that such loans create risks of default and loss of company assets.

21 14. Respondents' claims and projections regarding an initial public offering, as described in paragraph seven
22 above, were misleading because Respondents failed to provide a reasonable basis for the claims and projections.

23 15. Respondents' claims regarding an imminent increase in iCooper's stock value due to expected investments
24 and agreements with large companies, as described in paragraph seven above, were misleading because Respondents
25 failed to provide a reasonable basis for the claims.

1 16. Respondents' revenue projections, as described in paragraph eight above, were misleading because
2 Respondents failed to provide a reasonable basis for the projections.

3 17. Respondents' intellectual property rights claims, as described in paragraph nine above, were false and
4 misleading because Respondents falsely represented the extent of their intellectual property rights. Namely, iCooper
5 filed its patent applications over one year after it first made the claims and later abandoned its applications.

6 18. Respondents' representations regarding their ability to repurchase stock from investors, as described in
7 paragraphs ten and eleven above, were misleading because Respondents failed to provide a reasonable basis for the
8 representations.

9 19. Respondents' claims regarding investment time horizon, risk of loss, growth potential, and popularity of
10 iCooper's product among large organizations were misleading because Respondents failed to provide a reasonable
11 basis for the claims.

12 Failure to Comply With Regulation D Rule 504

13 20. iCooper claimed an exemption from registration for its stock offering under federal Regulation D, Rule 504.
14 Respondents failed to comply with conditions of Rule 504 by, among other things, generally soliciting prospective
15 investors and failing to adequately screen investors for investment suitability.

16 Registration Status

17 21. Respondent, iCooper, Inc., is not currently registered to sell its securities in the state of Washington and has
18 not previously been so registered.

19 22. Respondent, Ken Hines, is not currently registered as a securities salesperson or broker-dealer, or to otherwise
20 sell securities in the state of Washington, and has not previously been so registered.

21 23. Respondent, Christopher Clark, is not currently registered as a securities salesperson or broker-dealer, or to
22 otherwise sell securities in the state of Washington, and has not previously been so registered.

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

24 **CONCLUSIONS OF LAW**

25 1. The offer or sale of stock as described above constitute the offer and/or sale of a security as defined in RCW

1 21.20.005(14) and (17).

2 2. Christopher Clark violated RCW 21.20.040 by offering and/or selling said securities while not registered as a
3 securities salesperson or broker-dealer in the state of Washington.

4 3. The offer and/or sale of said securities is in violation of RCW 21.20.140 because no registration for such an
5 offer and/or sale is on file with the Securities Administrator, state of Washington.

6 4. The offer and/or sale of said securities were in violation of RCW 21.20.010 because Respondents made
7 untrue statements of material fact or omitted to state material facts necessary in order to make the statements made,
8 in light of the circumstances under which they were made, not misleading.

9 **CONSENT ORDER**

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

11 IT IS AGREED AND ORDERED that Respondent, Christopher Clark, his agents and employees each shall
12 cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

13 IT IS FURTHER AGREED AND ORDERED that Respondent, Christopher Clark, his agents and employees
14 each shall cease and desist from violating RCW 21.20.040, the securities salesperson and broker-dealer registration
15 section of the Securities Act of Washington.

16 IT IS FURTHER AGREED AND ORDERED that Respondent, Christopher Clark, his agents and employees
17 each shall cease and desist from violating RCW 21.20.140, the securities registration section of the Securities Act of
18 Washington.

19 IT IS FURTHER AGREED AND ORDERED that Respondent, Christopher Clark, shall be liable for and
20 shall pay investigative costs of \$500.

21 IT IS FURTHER AGREED AND ORDERED that Respondent, Christopher Clark, shall make five payments
22 of \$100 each. Respondent, Christopher Clark, shall make the payments in each of the following months: January
23 2014, March 2014, May 2014, July 2014, and September 2014. Each payment shall be due on the last day of the
24 month, unless the last day of the month falls on a weekend or holiday, in which case payment shall be due on the first
25 business day following the last day of the month. The payments shall be attributed to investigative costs.

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

2 IT IS FURTHER AGREED that Respondent, Christopher Clark, entered into this Consent Order freely and
3 voluntarily and with a full understanding of its terms and significance.

4 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent, Christopher Clark, waives his
5 right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

6 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

7 Signed this _____ day of _____ 2013.

8 Signed by:

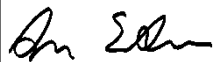
9 _____
10 /s/
Christopher Clark, Individually

11 SIGNED and ENTERED this 24th day of December 2014.

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15 _____
16 William M. Beatty
Securities Administrator

17 Approved by:

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19 _____
20 Suzanne Sarason
Chief of Enforcement

17 Presented by:

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19 _____
20 Drew Stillman
Enforcement Attorney

21 Reviewed by:

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23 _____
24 Jack McClellan
Financial Legal Examiner Supervisor

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CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
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