

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING ) Order No.: S-12-0994-14-FO01  
Whether there has been a violation of the )  
Securities Act of Washington by: ) ENTRY OF FINDINGS OF FACT AND CONCLUSIONS  
) OF LAW AND FINAL ORDER TO CEASE AND DESIST,  
Sarah Louthan a/k/a Cerah Bennett, ) TO IMPOSE FINES, AND TO CHARGE COSTS AS TO  
) SARAH LOUTHAN A/K/A CERAH BENNETT  
Respondent. )

I. DIRECTOR'S CONSIDERATION

A. Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director) pursuant to RCW 34.05.464. On February 22, 2013, the Director, through Securities Administrator William M. Beatty, entered a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose Fine, and to Charge Costs (Statement of Charges) against Chadwick B. King and Sarah Louthan a/k/a Cerah Bennett. The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing, and an Application for Adjudicative Hearing, were personally served on Respondent Sarah Louthan a/k/a Cerah Bennett on October 21, 2013. Respondent Sarah Louthan a/k/a Cerah Bennett, on November 8, 2013, submitted an Application for Adjudicative Hearing, noting that she can be contacted at the addresses at which she was personally served the Statement of Charges.

On December 23, 2013, the Department of Financial Institutions made a request to the Office of Administrative Hearings (OAH) to assign an Administrative Law Judge (ALJ) to schedule and conduct a hearing on the Statement of Charges. On January 16, 2013, OAH issued a Notice of Prehearing Conference from ALJ Steven C. Smith to Respondent Sarah Louthan a/k/a Cerah Bennet at the same address that she was personally served the Statement of Charges. The Notice of Prehearing Conference contained the following language: **"You must participate in the conference. If you do not, a default**

1 may be entered. This means you lose the opportunity to further challenge the agency action. RCW  
2 34.05.440.”

3 On April 7, 2014, the Department of Financial Institutions’ representative, Assistant Attorney  
4 General Ian McDonald, attended the prehearing conference by telephone, but Respondent Sarah Louthan  
5 a/k/a Cerah Bennett failed to appear or otherwise contact OAH. On April 9, 2014, ALJ Steven C. Smith  
6 issued an Initial Order of Default, dismissing Respondent Sarah Louthan a/k/a Cerah Bennett’s appeal for  
7 failure to appear. OAH mailed this Initial Order of Default to Respondent Sarah Louthan a/k/a Cerah  
8 Bennett at the same address at which she was personally served.

9 Pursuant to RCW 34.05.440, Respondent Sarah Louthan a/k/a Cerah Bennett had twenty (20)  
10 days from the date of service of the Initial Order of Default to file a Petition for Review. Respondent  
11 Sarah Louthan a/k/a Cerah Bennett did not file a Petition for Review during the statutory period.

12 B. Record Presented. The record presented to the Director for his review and for entry of a  
13 final decision included the following:

- 14 1. Statement of Charges, with documentation of service;
- 15 2. Application for Adjudicative Hearing for Sarah Louthan a/k/a Cerah Bennett;
- 16 3. Request to OAH for assignment of an ALJ;
- 17 4. Notice of Prehearing Conference, dated January 16, 2014, with certificate of service;  
18 and
- 19 5. Initial Order of Default, dated April 9, 2014, with documentation of service.

20 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.461, the Director  
21 hereby adopts the Statement of Charges, which is attached hereto.

## 22 II. FINAL ORDER

23 Based upon the foregoing, and the Director having considered the record and being otherwise  
24 fully advised, NOW, THEREFORE:  
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A. IT IS HEREBY ORDERED that:

1. Sarah Louthan a/k/a Cerah Bennett shall cease and desist from any further violations of RCW 21.20.140;
2. Sarah Louthan a/k/a Cerah Bennett shall cease and desist from violations of RCW 21.20.010;
3. Sarah Louthan a/k/a Cerah Bennett shall be liable for and shall pay a fine in the amount of \$20,000; and
4. Sarah Louthan a/k/a Cerah Bennett shall be liable for and shall pay investigative costs in the amount of no less than \$10,000.

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B. Reconsideration. Pursuant to RCW 34.05.470, the Respondent has the right to file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 9033, Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon the Respondent. The Petition for Reconsideration shall not stay the effectiveness of this order, nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

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A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written notice specifying the date by which it will act on a petition.

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C. Stay of Order. The Director has determined not to consider a Petition to Stay the effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

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D. Judicial Review. The Respondent has the right to petition the superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a Petition for Judicial Review, see RCW 34.050.510 and sections following.

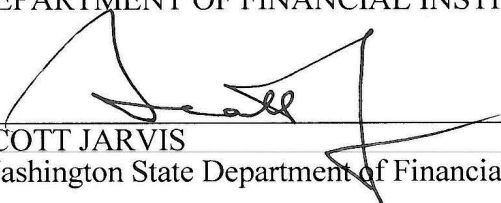
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E. Non-compliance with Order. If you do not comply with the terms of this order, the Department may seek its enforcement by the Office of Attorney General.

1 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial  
2 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service attached  
3 hereto.

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5 DATED this 9 day of June 2014.



6 STATE OF WASHINGTON  
7 DEPARTMENT OF FINANCIAL INSTITUTIONS

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9   
10 SCOTT JARVIS  
11 Washington State Department of Financial Institutions