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

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IN THE MATTER OF DETERMINING) Order No.: S-12-1037-14-CO02
whether there has been a violation of the)
Securities Act of Washington by:)
Mondays off Music, Inc.; City Stream, Inc.;) CONSENT ORDER AS TO ANDREA BRAEUTIGAM
Michael Raley; and Andrea Braeutigam,)
Respondents.)

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INTRODUCTION

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On January 2, 2014 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-12-1037-13-SC01, against Respondents Mondays off Music, Inc.; City Stream, Inc.; Michael Raley, and Andrea Braeutigam. Pursuant to the Securities Act of Washington, Chapter 21.20 RCW, The Securities Division and Respondent, Andrea Braeutigam, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondent, Andrea Braeutigam, neither admits nor denies the Findings of Fact and Conclusions of Law as stated below.

FINDINGS OF FACT

Respondents

1. Mondays off Music, Inc. (Mondays off Music) was formed by Michael Raley in or around January 2011. Despite the "Inc." in its name, Mondays off Music was never incorporated in Washington State or any other jurisdiction. Mondays off Music was an Internet radio start-up company that planned to stream local music in various U.S. cities.

1 2. City Stream, Inc. (City Stream) is a Washington corporation formed on March 16, 2012. City Stream
2 is an Internet radio start-up company that plans to stream local music in various U.S. cities.

3 3. Michael Raley (Raley) resides in Edmonds, Washington. From about January 2011 to March 2012,
4 Raley was the founder, President and Chief Executive Officer of Mondays off Music. Raley is the founder,
5 CEO, and Chairman of the Board of Directors for City Stream. Raley sold Mondays off Music securities
6 and City Stream common stock to investors.

7 4. Andrea Braeutigam (Braeutigam) resided in Oklahoma City, Oklahoma at all times applicable
8 herein. Braeutigam was the Director of Operations for City Stream. Braeutigam sold Mondays off Music
9 securities and City Stream common stock to investors.

10 Nature of the Offerings

11 *Mondays off Music Securities Offering*

12 5. In or about January 2011, Raley founded Mondays off Music, an Internet radio start-up company
13 specializing in bringing local music to local markets. Mondays off Music planned to open twenty-five local
14 Internet radio stations in the twenty-five biggest U.S. markets over a three-year period. Mondays off Music
15 was designed to earn revenue by selling advertisements and sponsorships.
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17 6. From January 2011 through April 2012, Mondays off Music raised \$266,000 from twenty-four
18 investors, fourteen of whom were Washington State residents. Mondays off Music raised these funds by
19 offering investors common stock in Mondays off Music, a Washington corporation. However, Mondays off
20 Music was never incorporated in Washington State or elsewhere.

21 7. Raley and Braeutigam sold Mondays off Music securities. From January 2011 through April 2012,
22 Raley raised at least \$192,000 from 13 Washington investors. Three of these investors were referred to
23 Raley. From February through April 2012, Braeutigam raised at least \$54,000 from nine Oklahoma
24 investors and one Hawaii investor. Raley and Braeutigam told investors that the money raised for Mondays
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1 off Music would be used to build the company, hire the staff, and build the website. Raley gave a
2 presentation of the Mondays off Music business plan to nearly every investor. Raley and Braeutigam did not
3 ask investors about their net worth. Raley did not ask investors about their investment experience.

4 8. Prior to the sale of the Mondays off Music securities, Raley prepared a document titled Mondays off
5 Music Detailed Financial Statement (Financial Statement). Braeutigam delivered the Financial Statement to
6 certain investors. In the Financial Statement, Mondays off Music provided investors with projections
7 regarding their return on investment over the course of three years. By the end of year three, Mondays off
8 Music projected that a person who invested \$50,000 would earn \$214,092, a return on investment of 428%.
9 Mondays off Music, Raley, and Braeutigam failed to provide investors with a reasonable basis for these
10 projections.

11 9. In the Financial Statement, Mondays off Music provided investors with exit strategies for Mondays
12 off Music. These exit strategies included being acquired by a major media network, merging with a known
13 brand, selling the company, and taking the company public. Mondays off Music also predicted that
14 Mondays off Music would be acquired within three years. Mondays off Music, Raley, and Braeutigam
15 failed to provide investors with a reasonable basis for this prediction or provide the assumptions on which
16 this prediction was based.

17 10. Prior to the sale of Mondays off Music securities, Raley and Braeutigam provided investors with
18 subscription agreements. Investors signed the subscription agreement and wrote a check or money order
19 payable to Mondays off Music. Raley and Braeutigam collected the subscription agreements and checks
20 from investors. Mondays off Music deposited investor funds in a Washington State bank account.
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22 *Misrepresentations and Omissions in Mondays off Music Securities Offering*

23 11. Mondays off Music, Raley, and Braeutigam misrepresented to investors that Mondays off Music was
24 a Washington State corporation. Mondays off Music was never incorporated in Washington State.
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1 12. Mondays off Music, Raley, and Braeutigam failed to disclose to investors material information
2 regarding the company, including but not limited to financial statements, operational history, and financial
3 condition.

4 *City Stream Rescission Offer*

5 13. In or about March 2012, Mondays off Music brought on a new president to the company. The
6 president noticed that Mondays off Music had issued common stock prior to its incorporation. Upon this
7 discovery, on March 16, 2012, Raley incorporated City Stream.

8 14. After its incorporation, City Stream held itself out as a corporation formerly known as Mondays off
9 Music. City Stream took control all of Mondays off Music's assets and liabilities. City Stream converted all
10 of the Mondays off Music investors' securities into City Stream common stock. City Stream did not explain
11 to Mondays off Music how their Mondays off Music securities came to be City Stream common stock. City
12 Stream told Mondays off Music investors that Mondays off Music had changed its name to City Stream.

13 15. On April 15, 2012, the City Stream Board of Directors (Board) approved a City Stream subscription
14 agreement, prepared by its counsel, for a private placement of common stock at \$10 per share. The Board
15 further resolved to offer all current City Stream stock subscribers, which were the investors who had
16 originally purchased Mondays off Music securities, a rescission and refund of their investment.

17 16. City Stream offered Mondays off Music investors rescission and refund through the use of a form
18 letter addressed to investors (Rescission Offer). The first sentence of the Rescission Offer stated that the
19 investor had previously subscribed to purchase shares of common stock of City Stream prior to its
20 incorporation. The investors never subscribed to purchase shares of City Stream common stock prior to its
21 incorporation; investors had subscribed to purchase shares of Mondays off Music common stock, a
22 company that was not incorporated.
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1 17. In the Rescission Offer, City Stream explained to investors that City Stream had made material
2 modifications to the terms of the private placement and that all documents received in connection with the
3 private placement are null and void. The Rescission Offer attached a new subscription agreement for City
4 Stream stock. An investor could choose to decline the rescission and refund by affirmatively checking a box
5 on the Rescission Offer declining the offer and executing the City Stream subscription agreement.

6 18. In April 2012, City Stream began distributing the Rescission Offers and City Stream subscription
7 agreements to at least twenty-four Mondays off Music investors. By May 25, 2012, all the investors
8 declined the Rescission Offer and signed the City Stream subscription agreement.

9 19. On or about June 1, 2012, Raley reviewed the Rescission Offers and accepted the investors' new
10 subscription agreements on behalf of City Stream by signing his name to the signature page of each
11 subscription agreement.

12 *Misrepresentations and Omissions in Rescission Offer*

13 20. In the Rescission Offer, City Stream offered to refund investors the full amount of their investment.
14 City Stream failed to disclose to investors that City Stream did not have the funds to refund every investor.

15 21. In the Rescission Offer, City Stream failed to disclose to investors how their Mondays off Music
16 investment came to be City Stream common stock.

17 22. In the Rescission Offer, City Stream failed to disclose to investors that the Mondays off Music
18 securities that were originally sold to them were not registered with the Securities Division as required by
19 law. City Stream failed to disclose to investors that the Securities Division did not pass on the Rescission
20 Offer; therefore, the Rescission Offer does not preclude investors from remedies under the Securities Act of
21 Washington.
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City Stream Common Stock Offering

23. At or about the same time City Stream began offering rescission to Mondays off Music investors, City Stream also sold City Stream common stock to new investors. From about April 2012 through December 2012, City Stream raised at least \$202,000 by selling its common stock to at least eleven investors. From about April 2012 to June 2012, City Stream sold its common stock to investors for \$10 per share. From October through December 2012, City Stream sold its common stock to investors for \$1 per share.

24. Raley and Braeutigam sold a majority of the City Stream common stock. Raley and Braeutigam told investors that the money raised for City Stream would be used to build the company, hire the staff, and build the website. Raley gave a presentation of the City Stream business plan to nearly every investor. Raley and Braeutigam did not ask investors about their net worth. Raley did not ask investors about their investment experience.

25. Prior to the sale of City Stream common stock, Raley and Braeutigam provided investors with subscription agreements. Investors signed the subscription agreement and wrote a check or money order payable to City Stream. Raley and Braeutigam collected the subscription agreements and checks from investors. City Stream deposited investor funds in a Washington State bank account.

Misrepresentations and Omissions in City Stream Common Stock Offering

26. City Stream, Raley, and Braeutigam failed to disclose to investors material information regarding the company, including but not limited to financial statements, operational history, and financial condition.

Failure to Comply with Regulation D Rule 506

27. City Stream claimed an exemption from registration of the City Stream offering under Regulation D Rule 506 with a notice filing submitted to the Securities Administrator on September 6, 2012.

1 28. Regulation D Rule 506 requires the issuer to provide specific information regarding the issuer, its
2 business, and the securities being offered to unaccredited investors. City Stream did not provide this specific
3 information to at least seven of its unaccredited investors.

4 29. Regulation D Rule 506 requires the issuer to provide specific financial statement information
5 including an audited balance sheet of the issuer dated within 120 days of the start of the offering to
6 unaccredited investors. City Stream did not provide the required financial statement information to at least
7 seven of its unaccredited investors.

8 Registration Status

9 30. Mondays off Music, Inc. is not currently registered to sell its securities in the state of Washington
10 and has not previously been so registered.

11 31. City Stream, Inc. did not register its offer of rescission in the state of Washington.

12 32. City Stream, Inc. is not currently registered to sell its common stock in the state of Washington and
13 has not previously been so registered.

14 33. Michael Raley is not currently registered as a securities broker-dealer or salesperson in the state of
15 Washington and has not previously been so registered.

16 34. Andrea Braeutigam is not currently registered as a securities broker-dealer or salesperson in the state
17 of Washington and has not previously been so registered.

18 **CONCLUSIONS OF LAW**

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

21 1. The offer and sale of Mondays off Music, Inc. securities, City Stream, Inc. common stock, and City
22 Stream, Inc. offer of rescission as described above constitutes the offer and sale of securities as defined in
23 RCW 21.20.005(14) and (17).

1 2. The offer and sale of Mondays off Music, Inc. securities, City Stream, Inc. common stock, and City
2 Stream, Inc. offer of rescission violated RCW 21.20.140 because the securities were not registered in the
3 state of Washington and did not qualify for an exemption.

4 3. Respondent, Andrea Braeutigam, violated RCW 21.20.040 by offering and selling said securities
5 while not registered as a securities salesperson or broker-dealer in the state of Washington.

6 4. The offer and sale of said securities were in violation of RCW 21.20.010 because Respondent,
7 Andrea Braeutigam, made misstatements of material fact or omitted to state material facts necessary in order
8 to make the statements made, 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, Andrea Braeutigam, shall cease and desist from
12 violating RCW 21.20.140, the provision of the Securities Act of Washington making it unlawful to sell
13 unregistered securities.

14 IT IS FURTHER AGREED AND ORDERED that Respondent, Andrea Braeutigam, shall cease and
15 desist from violating RCW 21.20.040, the provision of the Securities Act of Washington requiring
16 registration of securities salespersons and broker-dealers.

17 IT IS FURTHER AGREED AND ORDERED that Respondent, Andrea Braeutigam, shall cease and
18 desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

19 IT IS FURTHER AGREED AND ORDERED that Respondent shall be liable for and shall pay
20 investigative costs of \$3,600.

21 IT IS FURTHER AGREED AND ORDERED that the payment of the costs described above shall be
22 made as follows: Respondent, Andrea Braeutigam, shall pay \$300 towards the investigative costs on or
23 before the entry of this Consent Order. Respondent, Andrea Braeutigam, shall then pay the remaining
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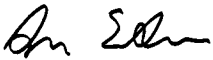
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2 SIGNED and ENTERED this 26th day of June 2014.

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7 William M. Beatty
8 Securities Administrator

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12 Approved by:

Presented by:

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15 Suzanne Sarason
16 Chief of Enforcement

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18 Brian J. Guerard
19 Financial Legal Examiner

20 Reviewed by:

21 

22 Jack McClellan
23 Financial Legal Examiner Supervisor