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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:

Lakemont Commercial Consulting, LLC,
Larrick Holdings LLC,
Richard A. Ames,
Larry F. Allen,

Respondents

Order Number S-12-1042-14-FO02

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL
ORDER TO CEASE AND DESIST,
IMPOSE A FINE, AND CHARGE COSTS,
AS TO LAKEMONT COMMERCIAL
CONSULTING, LLC; LARRICK
HOLDINGS LLC; AND LARRY F. ALLEN

THE STATE OF WASHINGTON TO:

Lakemont Commercial Consulting, LLC
Larrick Holdings LLC
Larry F. Allen

INTRODUCTION

On January 8, 2014, the Securities Administrator of the State of Washington issued a Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist, Impose a Fine, and Charge Costs (“Statement of Charges”) against Respondents Lakemont Commercial Consulting, LLC; Larrick Holdings LLC; and Larry F. Allen. The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing (“Notice”) and an Application for Adjudicative Hearing (“Application for Hearing”) were served on Lakemont Commercial Consulting, LLC; Larrick Holdings LLC; and Larry F. Allen on January 13, 2014.

The Notice of Opportunity for Hearing advised that a written application for an administrative hearing on the Statement of Charges must be received by the Securities Division within twenty days from the date of receipt of the notice. Respondents Lakemont Commercial Consulting, LLC; Larrick Holdings

1 LLC; and Larry F. Allen each failed to request an administrative hearing within twenty days of receipt of
2 the Statement of Charges, either on the Application for Hearing provided or otherwise. Therefore, the
3 Securities Administrator makes the following Findings of Fact and Conclusions of Law.

4 **FINDINGS OF FACT**

5 Respondents

6 1. Lakemont Commercial Consulting, LLC (“Lakemont”) is a Washington limited liability
7 company that was formed on March 22, 2007. Lakemont was a broker that solicited investor funding for
8 commercial loans and was to be paid loan fees upon successful funding of the loans. Lakemont had its
9 principal place of business in Bellevue, Washington.

10 2. Larrick Holdings LLC (“Larrick”) is a Washington limited liability company that was formed
11 on September 2, 2008. Larrick was a company that was to purchase investment holdings and that offered
12 and sold its own investments. Larrick had its principal place of business in Bellevue, Washington.

13 3. Richard A. Ames (“Ames”) is a Washington resident. Ames was a managing member of
14 Lakemont and Larrick. From January 2005 until March 2010, Ames was a licensed real estate broker in
15 Washington.

16 4. Larry F. Allen (“Allen”) is a Washington resident. Allen was a managing member of
17 Lakemont and Larrick.

18 Offering of Investments by Lakemont

19 5. During 2008, Respondents Ames, Allen, and Lakemont collectively offered and sold more
20 than \$2 million worth of investments to at least five Washington investors. Two of the investors were
21 retired. Some of the investors were introduced to Ames or Allen by friends or neighbors and some
22 investors met Ames following Ames’s presentation to a local real estate investment club.
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1 6. Ames, Allen, and Lakemont each falsely represented to the investors that they would receive
2 a secure income from the investments that were being offered. The investments were evidenced by short-
3 term promissory notes. The promissory notes had terms ranging from two weeks to approximately six
4 months. The promissory notes had interest rates ranging from 15% annual interest to a 100% return on
5 investment within approximately six weeks. Respondents each represented that the investor funds would
6 be used for business purposes. The return on investment was to come from the efforts of others and the
7 investors did not have any role in generating the return on the investment.

8 7. When offering and selling the investments, Ames, Allen, and Lakemont each failed to give
9 the investors any written disclosure documents relating to the investments. Ames, Allen, and Lakemont
10 each failed to give the investors background information about the companies that were issuing the
11 investments and the principals of those companies. Ames, Allen, and Lakemont each failed to disclose the
12 risks of the investments. Ames, Allen, and Lakemont each failed to give the investors any financial
13 information, including financial statements, for the issuer of the investments. When offering and selling
14 later investments, Ames and Lakemont each failed to disclose the non-performance and the delinquent
15 payment history for prior investments that were sold by Ames and Lakemont.

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17 *DiFresco Imports LLC Investments*

18 8. In June 2008, Ames and Lakemont solicited a Washington investor to make an investment
19 totaling \$225,000. Ames and Lakemont each represented to the investor that the investments would be
20 used to finance a business loan to DiFresco Imports LLC. Ames and Lakemont each represented that the
21 investment would be repaid within less than four months with 15% annual interest. Ames and Lakemont
22 represented that the investment would be secured by a deed of trust against real property located in Idaho.
23 Ames falsely represented to the investor that the property was valued at over \$800,000. Ames and
24 Lakemont each failed to give the investor any title documents or valuation information for the real
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1 property that purportedly secured the investment. The investor never received any repayment of the
2 investment.

3 9. In June 2008, Ames and Lakemont solicited a second Washington investor to make a
4 \$100,000 investment with DiFresco Imports LLC. Ames and Lakemont each represented to the investor
5 that the investment would generate monthly payments of \$1,250 and would be repaid six months later
6 with 15% annual interest. Ames and Lakemont represented that the investment would be secured by a
7 second deed of trust against real property located in Idaho. Ames falsely represented to the investor that
8 the property was worth somewhere between \$300,000 and \$400,000 and that it was more than adequate to
9 secure the investment. Ames and Lakemont each failed to give the investor any title documents or
10 valuation information for the real property that purportedly secured the investment. The investor later
11 found that the property was only worth approximately \$30,000. The investor was repaid \$2,500, but never
12 received any further payments for the investment.

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14 *Babuski LLC Investments*

15 10. In June 2008, Ames and Lakemont solicited a Washington investor to make a \$150,000
16 investment with Babuski LLC. Ames and Lakemont represented to the investor that the investment would
17 be fully repaid within six weeks, together with a return of \$60,000, and that the investment proceeds
18 would be used to pay loan extension fees for a commercial building in Las Vegas. Ames and Lakemont
19 each represented that the investment would be secured by a deed of trust against the property. Ames and
20 Lakemont each failed to give the investor any title documents or valuation information for the real
21 property that purportedly secured the investment. The investor never received any repayment of the
22 investment. Babuski LLC filed for chapter 7 bankruptcy in 2009 and the owner of Babuski LLC pleaded
23 guilty in January 2010 to federal wire fraud charges.
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1 11. In June 2008, Ames and Lakemont solicited another Washington investor to make a
2 \$150,000 investment with Babuski LLC. Ames and Lakemont represented to the investor that the
3 investment would be repaid within approximately six weeks, along with a 100% return on investment.
4 Ames and Lakemont represented that the investment would be used to fund a "bridge loan" to Babuski
5 LLC. Ames and Lakemont also represented that the investment would be secured by a deed of trust
6 against a commercial building in Las Vegas. Ames and Lakemont each failed to give the investor any title
7 documents or valuation information for the real property that purportedly secured the investment. The
8 investor never received any repayment of the investment.

9 *WNS Holdings, LLC Investment*

10 12. In August 2008, Allen and Lakemont solicited a Washington investor to make a \$150,000
11 investment with WNS Holdings, LLC. Allen and Lakemont represented to the investor that the
12 investment would be repaid within less than six months, along with \$30,000 of interest. Allen and
13 Lakemont each represented that the investment would be secured by five different patents for airline flight
14 technology. Allen and Lakemont each falsely represented that the patents were extremely valuable,
15 although the investor was later told by Allen that the patents were worthless. The investor received four
16 interest payments of \$5,000, for a total of \$20,000. After that, the investor never received any further
17 payments on the investment.
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19 *Sims Properties Development & Management, Inc. Investment*

20 13. In August 2008, Ames and Lakemont solicited a Washington investor to make a \$500,000
21 investment with Sims Properties Development & Management, Inc. Ames and Lakemont represented that
22 the company was a Chicago real estate development firm with hundreds of millions of dollars in real
23 estate holdings. Ames and Lakemont each represented that Sims Properties Development & Management,
24 Inc. needed a two-week "bridge loan" and that the investor would be repaid \$540,000 two weeks after
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1 investing. Ames and Lakemont falsely represented to the investor that the investment would have “no
2 risk” because it was insured. Ames gave the investor a copy of an insurance policy that purportedly
3 insured the investment. Ames later told the investor, after they had invested, that the insurance policy had
4 never been effective. The investor never received any repayment of the investment.

5 *Global Green Holdings, LLC Investments*

6 14. In July 2008, Ames and Lakemont solicited a Washington investor to make a \$45,000
7 investment with Global Green Holdings, LLC. Ames and Lakemont each represented to the investor that
8 the loan would be repaid within sixty days, along with an \$18,000 return on investment. Ames and
9 Lakemont also represented that the investment would be secured by a standby letter of credit. Ames and
10 Lakemont each represented that Global Green Holdings, LLC was in the business of producing “clean-
11 burning” coal and that they needed some short-term financing to complete a business transaction. The
12 investor never received any repayment of the investment.

13 15. In July 2008, Ames and Lakemont solicited another Washington investor to make an \$80,000
14 investment with Global Green Holdings, LLC. Ames and Lakemont each represented to the investor that
15 the loan would be repaid within sixty days, along with a \$32,000 return on investment. Ames and
16 Lakemont also represented that the investment would be secured by a standby letter of credit. The
17 investor never received any repayment of the investment.

18 16. In July 2008, Ames and Lakemont solicited another Washington investor to make a \$375,000
19 investment with Global Green Holdings, LLC. Ames and Lakemont each represented to the investor that
20 the loan would be repaid within sixty days, along with a \$150,000 return on investment. Ames and
21 Lakemont also represented that the investment would be secured by a standby letter of credit. The
22 investor never received any repayment of the investment.
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1 17. In August 2008, Ames and Lakemont solicited another Washington investor to make a
2 \$110,000 investment with Global Green Holdings, LLC. Ames and Lakemont each represented to the
3 investor that they would receive a repayment of \$130,000 within two weeks after investing. Ames gave
4 the investor documents showing that real property purportedly worth more than \$1 million would secure
5 the investment. Sometime after the investment was made, Ames admitted to the investor that there did not
6 appear to be any real property security for the investment. The investor never received any repayment of
7 the investment.

8 18. In October 2008, Allen and Lakemont solicited an out-of-state investor to make a \$60,000
9 investment with Global Green Holdings, LLC. Allen and Lakemont each represented that the investor
10 would receive a return of principal plus \$15,000 within sixty days after investing. Allen and Lakemont
11 also represented that the investment would be secured by a standby letter of credit. The investor never
12 received any repayment of the investment.

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14 *The Retreat in Palm Canyon Investment*

15 19. In October 2008, Ames and Lakemont solicited a Washington investor to make a \$70,000
16 investment with The Retreat in Palm Canyon, in order to fund a real estate development project near Palm
17 Springs, California. Ames and Lakemont each represented that the investor would receive a return of
18 principal plus \$50,000 within thirty days after investing. Ames and Lakemont each failed to disclose to
19 the investor that the projected start-up costs for the development project were approximately \$100 million
20 and that the financing had not been secured. The investor never received any repayment of the
21 investment.

22 Offering of Investments by Larrick

23 20. From 2008 through 2010, Respondents Ames, Allen, and Larrick collectively offered and
24 sold more than \$1 million worth of investments to at least seven Washington investors, one of whom had
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1 also invested with Lakemont. Ames, Allen, and Larrick each falsely represented to the investors that they
2 would receive a secure income from the investments.

3 21. The investments were evidenced by short-term promissory notes. The promissory notes had
4 terms ranging from 30 days to approximately 150 days. The promissory notes had interest rates ranging
5 from approximately 5% per month to approximately 35% per month.

6 22. When offering and selling the investments, Ames, Allen, and Larrick each failed to give the
7 investors any written disclosure documents relating to the investments. Ames, Allen, and Larrick each
8 failed to disclose the risks of the investments. Ames, Allen, and Larrick each failed to give the investors
9 any financial information, including financial statements, for the issuers of the investments. When
10 offering and selling later investments, Ames, Allen, and Lakemont each failed to disclose the non-
11 performance and the delinquent payment history for prior investments that were sold by Ames and Allen.

12 *Global Green Holdings, LLC Investment*

13 23. In March 2009, Ames, Allen, and Larrick solicited a Washington investor to make a \$30,000
14 investment in Global Green Holdings, LLC. Ames, Allen, and Larrick each represented that the investor
15 would receive a return of principal plus 10% within sixty days after investing. Ames, Allen, and Larrick
16 also represented to the investor that the investment would be secured by a standby letter of credit. The
17 investor never received any repayment of the investment.

18 *The Retreat in Palm Canyon Investment*

19 24. In October 2008, Ames, Allen, and Larrick solicited a Washington investor to make a
20 \$90,000 investment for The Retreat in Palm Canyon, in order to fund a real estate development project
21 near Palm Springs, California. Ames, Allen, and Larrick each represented that the investor would receive
22 a return of principal plus 50% within five months after investing. Ames, Allen, and Larrick each failed to
23 disclose to the investor that the projected start-up costs for the development project were approximately
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1 \$100 million and that the financing had not been secured. The investor never received any repayment of
2 the investment.

3 *Brighton Investment*

4 25. In March 2010, Ames, Allen, and Larrick solicited a Washington investor to make a
5 \$100,000 investment to finance a Nevada company that would operate medical clinics. Ames, Allen, and
6 Larrick each represented that the investor would receive a return of principal plus \$10,000 within sixty
7 days after investing. Ames, Allen, and Larrick each failed to disclose to the investor the source of
8 repayment for the investment and the amount of funds required to finance the clinics. The investor never
9 received any repayment of the investment.

10 *Larrick Holdings LLC Investments*

11 26. From October 2008 through March 2009, Ames and Larrick solicited three Washington
12 investors to make investments totaling \$520,000 with Larrick. Ames and Larrick each represented that the
13 investments would yield returns ranging from 10% to 70% within terms ranging from two weeks to ninety
14 days. Ames and Larrick each represented that the investments would be secured by certificates of deposit
15 issued by large commercial banks. Ames and Larrick each failed to disclose the intended use of the
16 invested funds. Ames and Larrick each failed to disclose the source of repayment for the investments.
17 None of the investments were ever repaid.

18 27. From October 2008 through December 2009, Ames and Larrick solicited three Washington
19 investors to make investments totaling \$220,000 with Larrick. Ames and Larrick each represented that the
20 investments would yield returns ranging from at least 20% to 50% within thirty to ninety days. Ames and
21 Larrick each represented that the investments would be secured by standby letters of credit issued by large
22 commercial banks. Ames and Larrick each failed to disclose the intended use of the invested funds.
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1 Ames and Larrick each failed to disclose the source of repayment for the investments. None of the
2 investments were ever repaid.

3 28. In May 2009, Ames, Allen, and Larrick solicited a Washington investor to invest \$50,000
4 with Larrick. The investment funds came from a special needs trust and Ames, Allen, and Larrick each
5 knew the source of the investment. Ames, Allen, and Larrick each represented that the investor would
6 earn a 10% return every thirty days. Ames, Allen, and Larrick each represented that the investment would
7 be secured by a certificate of deposit or by a letter of credit issued by a large commercial bank. Ames,
8 Allen, and Larrick each failed to disclose the intended use of the invested funds. Ames, Allen, and
9 Larrick each failed to disclose the source of repayment for the investment. The investment was never
10 repaid.

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

12 CONCLUSIONS OF LAW

13 1. The offer and sale of the investments described above constitute the offer and sale of a
14 security, as defined in RCW 21.20.005(14) and RCW 21.20.005(17), in the form of an investment contract
15 and a note.
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17 2. As set forth in the Findings of Fact, Respondents, Lakemont Commercial Consulting, LLC;
18 Larrick Holdings LLC; Richard A. Ames; and Larry F. Allen, have each violated RCW 21.20.010, the
19 anti-fraud section of the Securities Act of Washington, because in connection with the offer and sale of
20 said securities, Respondents each made untrue statements of a material fact or omitted to state material
21 facts necessary in order to make the statements made, in the light of the circumstances under which they
22 were made, not misleading.

23 FINAL ORDER

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

1 IT IS HEREBY ORDERED that Respondents Lakemont Commercial Consulting, LLC; Larrick
2 Holdings LLC; and Larry F. Allen, and their agents and employees each shall cease and desist from offering
3 or selling securities in violation of RCW 21.20.010, the anti-fraud section of the Securities Act of
4 Washington.

5 IT IS FURTHER ORDERED that Respondent Larry F. Allen shall be liable for and shall pay a fine in
6 the amount of \$10,000.

7 IT IS FURTHER ORDERED that Respondent Larry F. Allen shall be liable for and shall pay
8 investigative costs in the amount of \$5,000.

9 **AUTHORITY AND PROCEDURE**

10 This Final Order is entered pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395, and
11 is subject to the provisions of RCW 21.20.440 and chapter 34.05 RCW. Respondents Lakemont
12 Commercial Consulting, LLC; Larrick Holdings LLC; and Larry F. Allen each have the right to petition
13 the superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW.
14 For the requirements for filing a Petition for Judicial Review, see RCW 34.050.510 and sections
15 following. Pursuant to RCW 21.20.395, a certified copy of this order may be filed in Superior Court. If so
16 filed, the clerk shall treat the order in the same manner as a Superior Court judgment as to the fine and the
17 fine may be recorded, enforced, or satisfied in like manner.
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19 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

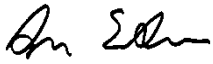
20 Dated and Entered this 12th day of February, 2014

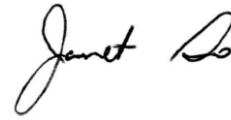
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24 WILLIAM M. BEATTY
25 Securities Administrator

1 Approved by:

Presented by:

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Suzanne E. Sarason
Chief of Enforcement

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Janet So
Financial Legal Examiner

9 Reviewed by:

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Robert Kondrat
Financial Legal Examiner Supervisor