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

IN THE MATTER OF DETERMINING ) Order No.: S-14-1408-15-CO02  
whether there has been a violation of the )  
Commodity Transactions Act of Washington by: ) CONSENT ORDER AS TO JAMAAL BROWN  
)  
BMC Worldwide, Inc. d/b/a Blue Moon Coins; )  
Aaron Scott; Jamaal Brown; Liquid Assets Empire )  
)  
Respondents. )

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**INTRODUCTION**

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On April 18, 2014, the Securities Administrator of the state of Washington issued Statement of Charges and Notice of Intent To Enter Order To Cease and Desist and Impose Fines, Order No. S-14-1408-14-SC01 (“Statement of Charges”) against Respondents, BMC Worldwide, Inc. d/b/a Blue Moon Coins, Aaron Scott, Liquid Assets Empire and Jamaal Brown. The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing (“Notice of Opportunity for Hearing”), were served on Jamaal Brown on June 9, 2014. The Securities Division and Respondent, Jamaal Brown, do hereby enter into this CONSENT ORDER in settlement of the matters as set forth in the Statement of Charges and as alleged below. Respondent, Jamaal Brown, neither admits nor denies the Findings of Fact or Conclusions of Law as stated below.

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**FINDINGS OF FACT**

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Respondents

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1. BMC Worldwide, Inc., d/b/a Blue Moon Coins (“BMC”) is a Washington corporation that was formed on October 4, 2013. Its principal place of business is 701 Main Street, Vancouver, WA 98660. BMC is in the business of buying and selling precious metal bullion in the form of bars and coins, among other products. BMC maintains an Internet website at [www.bluemooncoins.com](http://www.bluemooncoins.com). Prior to the formation of BMC Worldwide, Inc., the Blue Moon Coins business was located at 12014 S.E. Mill Plain Blvd., Suite 210, Vancouver, WA 98684. It is unclear what type of corporate entity the Blue Moon Coins business was. The term “BMC” will hereinafter refer to BMC Worldwide, Inc. and the Blue Moon Coins business that was in operation prior to the formation of BMC Worldwide, Inc.



1 buyers and sellers.” Many of the 33 investors decided to purchase precious metal bullion from BMC because BMC  
2 offered lower prices than its competitors.

3 8. Most of the 33 orders were placed through the BMC website’s online ordering system. BMC stated  
4 on its website that once the investor clicked the “Confirm Order” button during the checkout process, they are  
5 “entering into a legal and binding agreement.” BMC did not accept cancellations.

6 9. Almost all of the 33 investors paid by wire, check or credit card. BMC instructed investors to wire  
7 funds into one of two BMC bank accounts located in Vancouver, Washington. BMC instructed investors to mail their  
8 check, payable to BMC, to 701 Main Street, Vancouver, WA 98660.

9 10. The precious metal bullion that BMC sold to the 33 investors included one ounce and one-tenth ounce  
10 American Gold Eagle coins, one ounce American Silver Eagle coins, one ounce Canadian Maple Leaf gold coins, one  
11 ounce Australian Kangaroo gold coins, one ounce American Buffalo gold coins, one ounce South African Krugerrand  
12 gold coins, a British Sovereign coin, one ounce Australian Perth gold bars, various other types of one ounce gold bars,  
13 and a ten ounce gold bar. All of the bullion coins are minted in large quantities by the government mint of their  
14 respective countries. The value of these bullion coins is derived primarily from the underlying value of the precious  
15 metal contained in the coin. As BMC itself noted in its item description for the one-tenth ounce American Gold Eagle  
16 coin, as “with all bullion products, [the coin’s] real value is tied directly to the commodity price of the underlying  
17 precious metal.”

18 *Transaction with Jamaal Brown*

19 11. Beginning approximately April 2013, Brown began working at BMC for three hours per day, three  
20 days per week, and earned \$300 per week. Starting September 2013, Brown earned \$600 per week. Brown left BMC  
21 no earlier than January 2014.

22 12. At least one investor placed his order over the phone with Brown. Brown subsequently e-mailed that  
23 investor an order invoice that instructed him to send his check for payment to BMC at 701 Main Street, Vancouver,  
24 WA 98660.

1 *Liquid Assets Empire*

2 13. On or around October 11, 2013, Scott instructed an investor who placed a precious metal order with  
3 BMC to wire funds to an account belonging to "LAE." The LAE bank account is located at a different Vancouver,  
4 Washington bank than the BMC bank accounts. Scott told this investor that LAE was BMC's parent company. Scott  
5 later informed the Securities Division that another company was BMC's parent company.

6 14. Other than this representation, Scott, BMC and LAE did not disclose to the investor what LAE was  
7 and LAE's connection to BMC or Scott.

8 *Misrepresentations and Omissions Regarding Shipping Timeframes*

9 15. BMC represented on its website that the average shipping time was 12-15 business days from the date  
10 payment cleared. BMC also represented that some orders could arrive in as little as 3-7 business days, while others  
11 could take up to 20-30 business days. BMC, primarily through Scott, represented to several investors that the  
12 shipping or delivery times for their orders would be less than 30 business days.

13 16. All of the 33 investors experienced delays with their orders. BMC failed to deliver any of the orders  
14 within 28 calendar days from the date of payment.

15 17. Many of the investors e-mailed and called BMC numerous times to inquire about their order status,  
16 and were often unsuccessful in reaching anyone at BMC. Scott, and to a lesser extent Woodley, at times provided  
17 order updates to the investors. Scott provided various reasons for the order delays, including the following:

18 a. In late October, Scott told an investor that he was involved in a corporate buyout of the  
19 company and that it was causing delays.

20 b. In November 2013, Scott told one investor her order was delayed because of high holiday  
21 volume and an expansion to his business;

22 c. In December 2013, Scott again told a couple of investors that the delays to their orders were  
23 due to a corporate buyout. He told one of these investors that the takeover resulted in unexpected expenses. Scott  
24 admitted to that investor that he had used the funds from her order in the corporate buyout.

1 d. Throughout January 2013, Scott told numerous investors that their orders were delayed due to  
2 high year-end and holiday demand, the flu, staffing issues and bad weather in the southeast and mid-Atlantic United  
3 States that delayed his armor truck delivery. He told at least one investor that he was awaiting a shipment from his  
4 Texas depository but that inventory issues were causing a delay. In late January, he told another investor that he was  
5 at the end of a corporate separation which was taking longer than expected.

6 e. In early February 2014, Scott told several investors that the delay was due to ice and snow in  
7 the Vancouver area, including that the BMC store was closed for five days because of snow.

8 f. Starting around March 4, 2014, Scott began telling investors that his precious metal supplier  
9 was delaying delivery of his order. The month before, Scott had told an investor that he was not having supplier issues  
10 and that his supplier was legitimate.

11 18. BMC failed to inform investors at the time they placed their orders for precious metals that it had  
12 been unable to fill previous orders from other investors. BMC continued to advertise on the Internet and to solicit and  
13 accept orders for the purchase of commodities. BMC failed to modify the shipping timeframes that it had been  
14 representing on its website.

15 19. Most, if not all, of the investors eventually asked for a refund of their money. Scott provided full  
16 refunds to two investors, in December 2013 and January 2014. One of the refunds was issued to the investor who  
17 made payment to LAE as described in Paragraphs 12 and 13, above. Scott repaid the investors using funds from a  
18 BMC account in which other investors' funds were deposited. Scott provided at least one of the refunds using funds  
19 he had received from another investor.

20 20. After considerable delay and multiple inquiries by investors to BMC, only two investors eventually  
21 received their orders. Three other investors eventually received a small portion of their orders.

22 21. BMC has failed to fulfill the remaining orders and has failed to provide refunds to those investors  
23 with unfilled orders, despite representations from Scott and Woodley to several investors that their refunds had been  
24 processed. In addition, Scott provided actual FedEx tracking numbers to at least three investors. However, the only  
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1 activity that FedEx's online tracking information shows for these shipments is that the shipments were initiated.  
2 There is no indication that BMC actually gave FedEx any packages to ship.

3 22. As of April 18, 2014, the total amount of investor orders that have not been refunded and remain  
4 unfulfilled is at least \$580,000. The outstanding orders date back to September 2013.

#### 5 **REGISTRATION STATUS**

6 23. Respondent BMC Worldwide, Inc. d/b/a Blue Moon Coins is not currently registered with the  
7 Commodity Futures Trading Commission as a futures commission merchant or as a leverage transaction merchant, is  
8 not currently registered with the Department of Financial Institutions as a commodities broker-dealer or commodities  
9 sales representative under the Commodity Transactions Act, and has not previously been so registered.

10 24. Respondent Aaron Scott is not currently registered with the Commodity Futures Trading Commission  
11 as a futures commission merchant or as a leverage transaction merchant, is not currently registered with the  
12 Department of Financial Institutions as a commodities broker-dealer or commodities sales representative under the  
13 Commodity Transactions Act, and has not previously been so registered.

14 25. Respondent Jamaal Brown is not currently registered with the Commodity Futures Trading  
15 Commission as a futures commission merchant or as a leverage transaction merchant, is not currently registered with  
16 the Department of Financial Institutions as a commodities sales representative under the Commodity Transactions  
17 Act, and has not previously been so registered.

18 26. Respondent Liquid Assets Empire is not currently registered with the Commodity Futures Trading  
19 Commission as a futures commission merchant or as a leverage transaction merchant, is not currently registered with  
20 the Department of Financial Institutions as a commodities broker-dealer or commodities sales representative under the  
21 Commodity Transactions Act, and has not previously been so registered.

#### 22 **CONCLUSIONS OF LAW**

23 1. The precious metals as described in Paragraph 13 above are commodities as defined in RCW  
24 21.30.010(9) and (17).



1 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Jamaal Brown waives his right  
2 to a hearing and to judicial review of this matter.

3 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.  
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5 Signed this 29th day of May, 2015.

6 Signed by:

7  
8 /s/ Jamaal Brown  
9 JAMAAL BROWN, Individually

10 Approved as to form:

11 /s/ Erin Wasley  
12 ERIN WASLEY, WSBA #41379  
13 Attorney for Respondent Jamaal Brown

14 SIGNED and ENTERED this 10th day of June, 2015.


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19 WILLIAM M. BEATTY  
20 Securities Administrator

21 Approved by:

21 Presented by:

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24 SUZANNE SARASON  
25 Chief of Enforcement

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24 \_\_\_\_\_  
25 HUONG LAM  
Financial Legal Examiner



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Reviewed by:



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JACK MCCLELLAN  
Financial Legal Examiner Supervisor