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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:

Sound Housing, LLC;
Dmitri D. Suslikov; and
Tatiana Gershanovich,

Respondents

Order Number S-14-1585-14-CO01

CONSENT ORDER

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INTRODUCTION

Pursuant to the Securities Act of Washington, chapter 21.20 RCW, the Securities Division of the Department of Financial Institutions (“Securities Division”) and Respondents Sound Housing, LLC; Dmitri D. Suslikov; and Tatiana Gershanovich do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondents Sound Housing, LLC; Dmitri D. Suslikov; and Tatiana Gershanovich neither admit nor deny the Findings of Fact and Conclusions of Law as stated below.

FINDINGS OF FACT

Respondents

1. Sound Housing, LLC (“Sound Housing”) is a Washington limited liability company that was formed on December 30, 2013. The primary purpose of Sound Housing is to buy, renovate, and resell real properties. Sound Housing’s principal place of business is located in Seattle, Washington.
2. Dmitri D. Suslikov (“Suslikov”) is a Washington resident. Suslikov is a managing member of Sound Housing.

1 3. Tatiana Gershanovich (“Gershanovich”) is a Washington resident. Gershanovich is a managing
2 member of Sound Housing.

3 Sound Housing’s Website Solicitation

4 4. During at least September 2014, Sound Housing maintained an Internet website located at
5 <http://soundhousing.org>. The website promoted Sound Housing’s real estate investment program in
6 “well-secured notes.” Under the program, the Respondents would purchase, renovate and resell real
7 properties to generate a profit for the Respondents and to pay a fixed rate of interest to investors. The
8 investors’ only obligation was to provide investment capital. The website listed two different options for
9 investors: the “Ease-In” investment or the “Max-In” investment.

10 5. With the “Ease-In” investment, investors could invest as little as \$5,000 to earn market rate returns.
11 The Sound Housing website featured a house in Federal Way as an example of the “Ease-In” investment.
12 According to the website, the house required an investment of \$10,000 for a twelve-month term and
13 generated an investor return of “approximately 8 times the average CD rate.”

14 6. With the “Max-In” investment, investors could finance the renovation of a specific property that
15 would be resold for a profit and the investors would earn a greater return on their investment. The Sound
16 Housing website featured a house in Tacoma as an example of the “Max-In” investment. The website
17 showed that the house required an investment of \$120,000 for a term of 12 months. The house was
18 resold within 4.5 months and generated a return to the investor of \$9,600, or an annual return of
19 approximately 21% interest. Sound Housing’s website also featured a house in Des Moines as another
20 example of the “Max-In” investment. The website showed that this house required an investment of
21 \$325,000 and generated a return of \$26,000 for the investor within six months, or an annual return of
22 16% interest.
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1 7. The “About Us” section of the Sound Housing website stated that:

2 We leverage real estate backed investments to give our investor clients safe
3 and secure returns. A lot of times we work with investors who are tired of low
4 interest rates on IRAs, Savings, CDs and volatility of stock market, and they
5 switch to our programs to enjoy benefits of investing with us. We work with
6 investors with little or no real estate experience as we have the capacity and
7 proven knowledge to handle all the technicalities and transactional details.
8 By working with investors directly, we’ve been able to cut out the “middle
9 man”—the banks. Why should investors be paid a paltry 0.5-1% for their
10 hard-earned money when they can earn as much as the banks?

11 8. The Sound Housing website included two purported testimonials about the company. One
12 testimonial, from “Dale and Sam Davidson: Charlotte, NC” stated that:

13 We’ve made more by lending to you than we have in the last four years in the stock
14 Market. We’re more comfortable with the steady, sure gains than we are with the spikes.
15 Thank you for your integrity.

16 The other testimonial, from “Lada Mead: Seattle, WA” stated that:

17 I just received the payoff. Thank You! Everything you said came true. I am
18 happy with the interest I received. I only wish the government wasn’t taking
19 a chunk of it!

20 9. In an October 15, 2014 email message to the Securities Division, Suslikov admitted that the two
21 testimonials were “just placeholders for actual testimonials” and the people were fictitious. At about the
22 same time, the testimonials and investment solicitations were removed from the company’s website. The
23 Respondents represented to the Securities Division that the Respondents never sold any investments as a
24 result of Sound Housing’s website solicitation.

25 Offer and Sale of Promissory Note Investments

10. Between May 2014 and October 28, 2014, Sound Housing offered and sold six promissory note
investments totaling \$325,000 to six Washington investors. Sound Housing issued a separate promissory
note for each investment. The notes had annual interest rates ranging from 6% to 10% and were due
within approximately one to two years from the date that they were made by Sound Housing. Each of the

1 notes were personally guaranteed by Suslikov and Gershanovich. Each of the notes were also secured by
2 a second position deed of trust that was recorded against a separate and specific real property. The
3 proceeds from each investment were to be used by Sound Housing to purchase and renovate the
4 individual property that secured each investment. The properties were to be resold by Sound Housing as
5 soon as possible to generate a profit for the company and to repay the investors. The investors were
6 passive investors who did not participate in the management of the project that was to generate a return
7 on their investment. The investors were relying upon the efforts of the Respondents to generate the
8 return on the investment. The Respondents were responsible for the purchase, renovation, and resale of
9 each property.

10 Registration Status

11 11. On October 31, 2014, Sound Housing filed a Rule 506(b) Regulation D claim of exemption with the
12 Securities Division. The filing was for a \$2,000,000 offering of debt securities and the filing indicated
13 that the first sale of the offering was made on October 17, 2014. The filing also indicated that there were
14 three completed sales totaling \$180,000.

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16 12. Besides the October 31, 2014 Rule 506(b) Regulation D exemption filing, Sound Housing has no
17 other registration or exemption filings with the Securities Division.

18 **CONCLUSIONS OF LAW**

19 1. The offer and sale of the real estate investments described in the Findings of Fact constitute the
20 offer and sale of a security, as defined in RCW 21.20.005(14) and RCW 21.20.005(17), in the form of a
21 note and an investment contract.

22 2. As set forth in the Findings of Fact, Respondents, Sound Housing, LLC; Dmitri D. Suslikov; and
23 Tatiana Gershanovich, have each violated RCW 21.20.140, the registration section of the Securities Act
24 of Washington.

CONSENT ORDER

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

IT IS AGREED AND ORDERED that Respondents Sound Housing, LLC; Dmitri D. Suslikov; and Tatiana Gershanovich, and their agents and employees each shall cease and desist from any violation of RCW 21.20.140, the registration section of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondents, Sound Housing, LLC; Dmitri D. Suslikov; and Tatiana Gershanovich, shall be jointly and severally liable for and shall pay investigative costs of \$1,800. The first \$300 will be paid prior to the entry of this Consent Order. The remaining \$1,500 will be paid in five monthly installments of \$300 per month. Each monthly payment shall be made before the end of the month in which the payment is due.

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

IT IS FURTHER AGREED that Respondents Sound Housing, LLC; Dmitri D. Suslikov; and Tatiana Gershanovich enter into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

IT IS FURTHER AGREED that in consideration of the foregoing, Respondents, Sound Housing, LLC; Dmitri D. Suslikov; and Tatiana Gershanovich, each waive their right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

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1 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

2 Signed this 16th day of January, 2015

3 Signed by:

Approved for entry by:

4 Sound Housing, LLC

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6 /s/
7 By: Dmitri D. Suslikov, Managing Member

/s/
Jack G. Orr, WSBA #6807
Attorney for Respondents

8 Signed by:

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10 /s/
11 Dmitri D. Suslikov, Individually

12 Signed by:

13 /s/
14 Tatiana Gershanovich, Individually

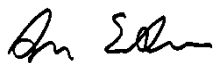
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16 Signed and Entered this 21st day of January, 2015

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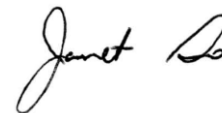
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19 WILLIAM M. BEATTY
20 Securities Administrator

21 Approved by:

Presented by:

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25 Suzanne E. Sarason
Chief of Enforcement



Janet So
Financial Legal Examiner

1 Reviewed by:

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4 Robert Kondrat
5 Financial Legal Examiner Supervisor
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