

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

IN THE MATTER OF DETERMINING) Order No. S-16-1868-18-CO02
Whether there has been a violation of the)
Securities Act of Washington by:) CONSENT ORDER AS TO
) SCOTT E. ANDERSON
Pacific Watercraft Group, Inc.,)
Scott E. Anderson,)
Robin Lynn Sells,)
)
Respondents.)

INTRODUCTION

On July 17, 2017, 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 (“Statement of Charges”), Order Number S-16-1868-17-SC01, against Respondents Pacific Watercraft Group, Inc., Scott E. Anderson, and Robin Lynn Sells. Pursuant to the Securities Act of Washington, Chapter 21.20 RCW, the Securities Division and Respondent Scott E. Anderson do hereby enter into this Consent Order in settlement of the matters set forth in the Statement of Charges and as alleged below. Respondent Scott E. Anderson neither admits nor denies the Findings of Fact and Conclusions of Law as stated below.

FINDINGS OF FACT

Respondents

1. Pacific Watercraft Group, Inc. is a Washington corporation formed on July 15, 2010 with its principal place of business in Newcastle, Washington. Pacific Watercraft Group, Inc. was formed to engage in the design, development, and commercialization of a solo watercraft. On November 17, 2010, Pacific Watercraft Holdings Ltd., a Washington company, was formed to act as Pacific Watercraft Group, Inc.’s parent company. Before Pacific Watercraft Holdings Ltd. was formed, and after it became inactive on March 1, 2012, Pacific Watercraft Group, Inc. sometimes did business as Pacific Watercraft Holdings Ltd. For the purposes

1 of this order, Pacific Watercraft Group, Inc. and Pacific Watercraft Holdings Ltd. will collectively be referred
2 to as “Pacific Watercraft.”

3 2. Scott E. Anderson (“Anderson”) is a resident of Seattle, Washington. Anderson was a director
4 of Pacific Watercraft Holdings Ltd., and he is a director and Vice President of Manufacturing of Pacific
5 Watercraft Group, Inc.

6 3. Robin Lynn Sells (“Sells”) is a resident of Newcastle, Washington. Sells was founder and a
7 director of Pacific Watercraft Holdings, Ltd., and he is founder, a director, and President of Pacific Watercraft
8 Group, Inc.

9 **Background**

10 4. Since at least 1990, Sells has been involved in attempts to manufacture and sell a solo
11 watercraft, which is a self-propelled watercraft that allows a person to water-ski without assistance from others.
12 These companies included Ski-Free Watersports, Inc., Solo Watersports, Inc., and Ski-Free Watersports
13 Development, Inc. In or around the summer of 2010, Sells and Anderson created Pacific Watercraft Group,
14 Inc. to pursue the development, manufacture, and commercialization of a solo watercraft named Solo, along
15 with related products.

16 **Nature of the Conduct**

17 Overview

18 5. Beginning in 2010 and continuing through 2015, Anderson offered unregistered investments in
19 Pacific Watercraft to a number of prospective investors. As a result of these offers, two of Anderson’s friends,
20 who were Washington residents, purchased \$40,000 of Pacific Watercraft shares.

21 The Offering

22 6. In July 2010, Sells, Anderson, and Pacific Watercraft began offering up to \$2 million of shares
23 in Pacific Watercraft to develop and commercialize its products. Between July 2010 and June 2013, Sells,
24 Anderson, and Pacific Watercraft offered and sold 900 shares of Pacific Watercraft to three investors.

25 7. In July 2010, Anderson offered and sold 250 shares of Pacific Watercraft to a Washington
investor for \$25,000.

1 IT IS FURTHER AGREED AND ORDERED that Respondent Scott E. Anderson, his agents, and his
2 employees shall cease and desist from violating RCW 21.20.040, the securities salesperson and broker-dealer
3 registration section of the Securities Act of Washington.

4 IT IS FURTHER AGREED AND ORDERED that Respondent Scott E. Anderson is liable for and shall
5 pay a fine of \$2,500 on or before 30 days from the entry of this Consent Order.

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

7 IT IS FURTHER AGREED that Respondent Scott E. Anderson entered into this Consent Order freely
8 and voluntarily and with a full understanding of its terms and significance.

9 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Scott E. Anderson
10 waives his right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter
11 34.05 RCW.

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

13
14 Signed this 27th day of July, 2018.

15
16 Signed by:

Approved as to form by:

17
18 /s/
19 Scott E. Anderson
Individually

/s/
John Bender, Attorney for Respondents
WSBA No. 19540

1 SIGNED and ENTERED this 6th day of August, 2018.

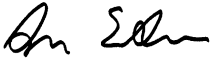
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William M. Beatty
Securities Administrator

Approved by:

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Reviewed by:



Robert Kondrat
Financial Legal Examiner Supervisor

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