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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:

Shamero A. Terry d/b/a Urban Traffic,
Respondent.

Order Number S-18-2408-19-SC01

**STATEMENT OF CHARGES AND
NOTICE OF INTENT TO ISSUE AN
ORDER TO CEASE AND DESIST,
IMPOSE FINES, AND CHARGE
COSTS**

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THE STATE OF WASHINGTON TO:

Shamero A. Terry d/b/a Urban Traffic

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that the Respondent Shamero A. Terry d/b/a Urban Traffic has violated the Securities Act of Washington and that his violations justify the entry of an order of the Securities Administrator to cease and desist from such violations pursuant to RCW 21.20.390, to impose fines pursuant to RCW 21.20.395, and to recover costs pursuant to RCW 21.20.390. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondent

1. Shamero A. Terry d/b/a Urban Traffic (“Terry”) is believed to currently reside in Lynnwood, Washington. In approximately 2010, Terry moved to Washington from Maryland. Terry is also known by the aliases Shy Terry and Decarlo Terry. Urban Traffic is a sole proprietorship that Terry started in approximately 2012.

1 **Introduction**

2 2. Between 2014 and 2016, Terry solicited five investors, including four Washington
3 residents, to invest a total of approximately \$110,000 with Urban Traffic, his concert promotion
4 business. The investments were in the form of promissory notes. In 2016, Terry continued to raise
5 funds without telling new investors that he had not repaid past investors. Terry also failed to disclose
6 his criminal history to investors and he misused some investor funds. To date, none of the investors
7 have received any interest or principal payments from Terry. At least two investors had never invested
8 in a similar investment before.

9 **Offer and Sale of Investments**

10 *Investments in 2014*

11 3. In approximately 2014, a Washington resident met Terry at a networking event. Terry
12 solicited the resident to invest in Urban Traffic. Terry represented that his business operated a website
13 for independent music artists to promote themselves in return for a subscription fee. The resident was
14 not interested in the investment. Subsequently, Terry contacted the resident and solicited him to invest
15 funds with Urban Traffic specifically for a concert in August 2014. When the resident expressed
16 interest in the investment, Terry asked the resident if he knew anyone else who would also be interested
17 in investing.

18 4. The resident told two of his friends, both Washington residents, about the investment and
19 they were also interested in investing with Terry. The three residents met with Terry to discuss the
20 terms of the investment. Terry represented that the concert would feature a fairly well-known music
21 artist and would be held in Spokane, Washington. Terry represented that Urban Traffic and another
22 concert promotion company would both contribute \$17,500 for the concert and both businesses would
23 share equally in the profits.

5. In approximately July 2014, the three residents invested a total of \$16,000 with Terry to fund the majority of Urban Traffic's contribution to the concert. Each of the investors signed a promissory note with Terry, stating that they would receive their principal plus a 50% return by September 9, 2014. The investors gave Terry a cashier's check for \$16,000.

6. Terry did not provide the investors with any disclosure documents prior to their investment. Terry failed to provide the investors with material information regarding his business, including the operational history, litigation history, financial statements, and the general and specific risks of the investment. Terry also failed to disclose his criminal history of armed robbery (from when he previously resided in Maryland) to at least two of the investors. In November 2006, Terry was charged in the Circuit Court for Anne Arundel County, Maryland, with a felony count of armed robbery and a misdemeanor count of attempted armed robbery. In 2007, Terry pled guilty and was sentenced to ten years of prison.

7. After the investments were made, the music artist that was supposed to perform at the concert was replaced with a lesser-known artist. After the concert, Terry represented to the investors that the concert was not as profitable as expected and there was no money to repay them. The investors have not received the return of their principal or any interest payments.

Investments in 2016

8. In 2016, Terry started to raise funds again for Urban Traffic. In September 2015, Terry represented to a friend, a Pennsylvania resident, that he was successful in the concert business. Terry sent the friend an image of what he represented was the balance of his bank account, which had over \$1 million dollars. Approximately six months later, in March 2016, Terry solicited the friend to invest with Urban Traffic. Terry represented that the investor's funds would primarily be used to organize and promote several concerts during one year, and that some funds would also be used for business expenses. Terry represented that he had previous investors and he sent the investor an image of the

1 \$16,000 check he received from the investors in 2014. Terry failed to disclose that these investors did
2 not receive the return of their principal or any interest on their investment.

3 9. In approximately April 2016, Terry solicited a second investor to invest with Urban
4 Traffic. Terry solicited a woman that he was dating, a Washington resident, to invest. Terry represented
5 to the resident that her investment funds would be used to invest in a concert near Seattle, Washington,
6 in July 2016.

7 10. Between approximately March and April 2016, Terry raised a total of \$80,000 from the
8 two investors. In March 2016, the first investor gave Terry two cashier's checks, totaling \$50,000, and
9 she made a \$10,000 transfer to a PayPal account in the name of Urban Traffic. Terry provided the
10 investor with a promissory note, dated March 20, 2016, that stated that she would receive a 15% annual
11 return. Terry represented to the investor that the maturity date of the note was one year. The second
12 investor invested \$20,000 in cash with Terry. Terry provided the investor with a promissory note, dated
13 April 21, 2016, with a maturity date in September 2016. Terry represented to this investor that her
14 investment would receive interest of approximately 25% to 50%.

15 11. In approximately August 2016, Terry solicited the first investor to invest additional
16 funds. Terry represented that additional investment funds would be used for his travel expenses to an
17 out-of-state concert that he was organizing in Atlanta, Georgia. The investor agreed to invest additional
18 funds, and between August and September 2016, she made additional transfers totaling approximately
19 \$13,622 to the PayPal account in the name of Urban Traffic.

20 12. Terry did not provide the investors with any disclosure documents prior to their investment.
21 Terry failed to provide the investors with material information regarding his business, including the
22 operational history, litigation history, financial statements, and the general and specific risks of the
23 investment. Terry failed to disclose his criminal history of armed robbery to at least one of the investors

1 and he also failed to disclose to the second investor that he failed to repay past investors in 2014.

2 13. Terry misused at least part of the funds that he received from the first investor. Instead of
3 using the investor's funds as represented for concerts, business expenses, or travel expenses to Georgia,
4 Terry used some of the investor's funds at casinos. Between approximately March and September 2016,
5 Terry withdrew nearly \$3,000 of her funds from his bank account and PayPal account at repeated trips to
6 casinos in Washington and West Virginia. Terry failed to disclose to the investor that her funds could
7 be used for this purpose.

8 14. Terry represented to the investors that the concerts he used their money for were either
9 canceled or were not profitable. In approximately December 2016, the first investor requested her
10 money back but Terry failed to repay her. Both investors requested their funds back after their
11 promissory notes matured, but Terry has failed to repay them. After approximately February 2018, both
12 investors have not been able to reach Terry regarding repayment.

13 **Registration Status**

14 15. Shamero A. Terry d/b/a Urban Traffic has never been registered as a securities
15 salesperson or broker-dealer in the State of Washington.

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

17 **CONCLUSIONS OF LAW**

18 1. The offer and/or sale of the promissory notes, as described above, constitutes the offer
19 and/or sale of a security as defined in RCW 21.20.005(14) and (17).

20 2. Shamero A. Terry d/b/a Urban Traffic has violated RCW 21.20.140 because, as set forth in
21 the Tentative Findings of Fact, he offered and/or sold securities for which no registration is on file with the
22 Securities Administrator, and for which no valid claim of exemption exists.

1 3. Shamer A. Terry d/b/a Urban Traffic has violated RCW 21.20.010 because, as set forth in
2 the Tentative Findings of Fact, he made misstatements of material fact or omitted to state material facts
3 necessary in order to make the statements made, in light of the circumstances under which they were made,
4 not misleading.

5 **NOTICE OF INTENT TO ISSUE AN ORDER TO CEASE AND DESIST**

6 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities
7 Administrator intends to order that the Respondent Shamer A. Terry d/b/a Urban Traffic shall cease and
8 desist from violations of RCW 21.20.140 and RCW 21.20.010.

9 **NOTICE OF INTENT TO IMPOSE FINES**

10 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions
11 of Law, the Securities Administrator intends to order that the Respondent Shamer A. Terry d/b/a Urban
12 Traffic shall be liable for and pay a fine of \$30,000.

13 **NOTICE OF INTENT TO CHARGE COSTS**

14 Pursuant to RCW 21.20.390(5), and based upon the above Tentative Findings of Fact and
15 Conclusions of Law, the Securities Administrator intends to order that the Respondent Shamer A. Terry
16 d/b/a Urban Traffic shall be liable for and pay the Securities Division the costs, fees and other expenses
17 incurred in the administrative investigation and hearing of this matter in an amount not less than \$5,000.

18 **AUTHORITY AND PROCEDURE**

19 This Statement of Charges is entered pursuant to the provisions of RCW 21.20.390 and RCW
20 21.20.395, and is subject to the provisions of RCW 34.05. The Respondent may make a written request for
21 a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
22 HEARING accompanying this Statement of Charges.

1 If the Respondent does not request a hearing, the Securities Administrator intends to adopt the above
2 Tentative Findings of Fact and Conclusions of Law as final, enter a permanent cease and desist order as to
3 the Respondent, and impose the fines and costs sought.

4 DATED AND ENTERED this 30th day of August, 2019.

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6 By:

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8 _____
9 William M. Beatty
10 Securities Administrator

11 Approved by:

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14 Suzanne Sarason
15 Chief of Enforcement

16 Presented by:

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19 Bridgett Fisher
20 Financial Legal Examiner

21 Reviewed by:

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23 _____
24 Jack McClellan
25 Financial Legal Examiner Supervisor