

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order Number S-19-2736-20-CO01
Whether there has been a violation of the)
Securities Act of Washington by:) CONSENT ORDER
) as to
) HALYDEAN CORPORATION
Halydean Corporation;)
Taylor Forrester Moffitt a.k.a. Taylor Moffitt)
of Halydean)
)
)
Respondents)

INTRODUCTION

On April 8, 2020, 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-19-2736-20-SC01, against Respondents Halydean Corporation (“Halydean”) and Taylor Forrester Moffitt a.k.a. Taylor Moffitt of Halydean (“Moffitt”). Pursuant to the Securities Act of Washington, Chapter 21.20 RCW, the Securities Division and Respondent Halydean do hereby enter into this CONSENT ORDER in settlement of the matters alleged in the Statement of Charges and set forth below. Respondent Halydean neither admits nor denies the Findings of Fact and Conclusions of Law stated below.

FINDINGS OF FACT

RESPONDENTS

1. Halydean is a Delaware corporation with its principal place of business in Hayward, Wisconsin. Halydean holds itself out as an agricultural land holding company that specializes in dairy and beef production.

1 **NATURE OF THE OFFERING**

2 6. In 2016, Moffitt met a Washington resident, "Investor A," online through a
3 mutual hobby interest. After becoming acquainted with Investor A, Moffitt offered to give him
4 the opportunity to acquire Halydean stock. In exchange for approximately \$4,500 of hobby
5 equipment, Moffitt gave Investor A 500 of his personal shares of Halydean stock.
6

7 7. Investor A referred a group of friends, all Washington residents, to Moffitt, who
8 communicated with them by telephone, Skype, and/or email. Moffitt offered each of the friends
9 the opportunity to buy Halydean stock from Halydean.

10 8. Moffitt provided some of the friends a Halydean document titled "Confidential
11 Private Placement Offering Memorandum, 14,814,814 shares common stock" ("PPM"). The
12 PPM contained a lengthy description of a proposed offering of Halydean stock to what it
13 described as "only a limited number of individuals and / or companies, who by definition fall
14 within certain exemptions contained in the Securities Exchange Act of 1934 as amended."
15 Under Washington law, the definition of "accredited investor" includes, among other things,
16 "any natural person whose individual net worth, or joint net worth with that person's spouse,
17 exceeds \$1,000,000" or "any natural person who had an individual income in excess of \$200,000
18 in each of the two most recent years or joint income with that person's spouse in excess of
19 \$300,000 in each of those years and has a reasonable expectation of reaching the same income
20 level in the current year."
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22 9. In or about February 2016, Moffitt communicated with Investor B, a Washington
23 resident, who had been referred to Moffitt by Investor A, by email and telephone. Moffitt offered
24 Investor B the opportunity to buy Halydean stock. Moffitt provided Investor B a Halydean PPM.
25 Moffitt provided Investor B instructions to wire the \$5,000 purchase price. Moffitt caused a

1 stock certificate for 500 shares of Halydean stock to be issued to Investor B. At the time of the
2 sale, Investor B did not meet the definition of accredited investor.

3 10. In or about March 2016, Moffitt communicated with Investor C, a Washington
4 resident, who had been referred to Moffitt by Investor A, by email and telephone. Moffitt offered
5 Investor Investor C the opportunity to buy Halydean stock. Moffitt provided Investor C a
6 Halydean PPM. Moffitt provided Investor C instructions to pay the \$5,000 purchase price.
7
8 Moffitt caused a stock certificate for 500 shares of Halydean stock to be issued to Investor C. At
9 the time of the sale, Investor C did not meet the definition of accredited investor.

10 11. In or about October 2016, Moffitt communicated with Investor D, a Washington
11 resident, who had been referred to Moffitt by Investor A, by email and telephone. Moffitt offered
12 Investor Investor D the opportunity to buy Halydean stock. Moffitt provided Investor D a
13 Halydean PPM. Moffitt provided Investor D instructions to pay the \$5,000 purchase price.
14
15 Moffitt caused a stock certificate for 500 shares of Halydean stock to be issued to Investor D. At
16 the time of the sale, Investor D did not meet the definition of accredited investor.

17 12. In or about 2017, Moffitt communicated with Investor E, a Washington resident,
18 who had been referred to Moffitt by Investor A, by email and telephone. Moffitt offered Investor
19 E the opportunity to buy Halydean stock. Moffitt provided Investor E a Halydean PPM. Moffitt
20 provided Investor E instructions to pay the \$10,000 purchase price. Moffitt caused a stock
21 certificate for 500 shares of Halydean stock to be issued to Investor E. At the time of the sale,
22 Investor E did not meet the definition of accredited investor.

23 **MISREPRESENTATIONS AND OMISSIONS**

24 13. Halydean failed to disclose to certain of the Washington investors that Moffitt had
25 filed for personal bankruptcy in 2009.

1 **CONCLUSIONS OF LAW**

2 1. The offer or sale of Halydean stock described above constitutes the offer or sale
3 of a security as defined in RCW 21.20.005(10) and (12), to wit: stock.

4 2. The offer or sale of said securities is in violation of RCW 21.20.140 because no
5 registration or notification of claim of exemption for such offer or sale is on file with the
6 Securities Administrator and no valid claim of exemption under Regulation D exists.

7 3. The offer or sale of said securities was made in violation of RCW 21.20.010
8 because Halydean misrepresented or omitted to disclose material facts about the offering of
9 Halydean stock.
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11 **CONSENT ORDER**

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

13 IT IS AGREED AND ORDERED that Respondent Halydean, its agents and employees
14 each shall cease and desist from violations of RCW 21.20.010, the anti-fraud section of the
15 Securities Act of Washington.

16 IT IS FURTHER AGREED AND ORDERED that Respondent Halydean, its agents and
17 employees each shall cease and desist from violations of RCW 21.20.140, the securities
18 registration section of the Securities Act of Washington.

19 IT IS FURTHER AGREED AND ORDERED that Respondent Halydean shall be liable
20 for and pay a fine of \$10,000 prior to the entry of this Consent Order.

21 IT IS FURTHER AGREED AND ORDERED that Respondent Halydean shall be liable
22 for and pay investigative costs of \$10,000 prior to the entry of this Consent Order.

23 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this
24 Consent Order.
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Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor