STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order No.: S-19-2774-19-SC01
Whether there has been a violation of the) OUR ATTEMENT OF CHARGES AND MOTICE OF INTENT
Securities Act of Washington by:) STATEMENT OF CHARGES AND NOTICE OF INTENT) TO ENTER ORDER TO CEASE AND DESIST, TO IMPOSE
Full_Tilton Ventures LLC,) A FINE, AND TO CHARGE COSTS
Roger Henry Tilton,)
Respondents)))
THE STATE OF WASHINGTON TO:	Full_Tilton Ventures LLC Roger Henry Tilton

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents, Full_Tilton Ventures LLC and Roger Henry Tilton, have each violated the Securities Act of Washington. The Securities Administrator believes these violations justify the entry of an order against the respondents to cease and desist from such violations and to charge costs pursuant to RCW 21.20.390, and to impose a fine under RCW 21.20.395. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

- 1. Full_Tilton Ventures LLC ("FTV") is a Delaware limited liability company that was formed on April 20, 2017, with its principal place of business in Milford, New Hampshire and/or Seattle, Washington. FTV ceased to be in good standing on June 1, 2018. During 2016, Tilton represented to at least one Washington investor that FTV, which was not yet formed, would be providing support functions to the cannabis industry.
- 2. Roger Henry Tilton ("Tilton") was the managing member of FTV. Tilton resides in New Hampshire, but he met with at least one Washington investor in the state of Washington to solicit an investment in FTV. From 1989 until April 21, 2016, Tilton was a licensed securities salesperson and/or a registered investment adviser representative in Washington and in other states.

STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST, TO IMPOSE A FINE, AND TO CHARGE COSTS

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia WA 98507-9033 360-902-8760

Investment Offering to a Washington Investor

3. During 2016, Tilton solicited at least one Washington investor, a married couple (husband and wife), to invest in FTV. At that time, the husband was undergoing cancer treatments. Tilton knew that the husband was going through cancer. Because Tilton had been the couples' registered investment adviser for more than twenty years, the couple trusted him to recommend a suitable investment. Tilton met with the wife at a coffee shop in Monroe, Washington. Tilton falsely told the wife that Tilton was offering a good investment and that the couple could not lose their money. Tilton explained that he needed funds to start a new company to provide services to cannabis businesses. Tilton falsely told the wife that if she invested \$25,000, the investment would be worth \$30,000 because the couple would be an "original investor." Tilton told the wife that to qualify as an original investor, Tilton needed to have the money by no later than November 1, 2016. On October 27, 2016, the wife gave Tilton a \$25,000 check for the investment. The check was made payable to Roger Tilton dba Full Tilton Ventures.

Subsequent Communications with the Washington Investor

- 4. Tilton sent the Washington investor a letter dated January 10, 2017. The letter, written on FTV letterhead and signed by Tilton as Founder/Director, stated that "Your \$25,000 investment translates (with a 20% bonus) to a \$30,000 stake in our new company." The letter stated that the "necessary funds" to launch the company have already been raised from you and other investors. The letter closed by stating, "Not only will this be a fun adventure, I think we're going to make a lot of money together!"
- 5. Before they invested, Tilton told the wife that the Washington couple would receive statements for their investment, but the couple received only sporadic account statements. They received a statement dated September 30, 2017 (which was a Saturday) and a statement dated December 31, 2017 (which was a Sunday), but no statements during 2018. Their last statement was dated June 30, 2019, which was a Sunday. Each of the statements was issued by FTV, which listed an address of 215 2nd Avenue S., Seattle, WA 98104. The statements each referenced an eight-digit "Equity Acct. #." Each statement listed an investment value of \$30,000. Each statement also included the phrase, "Thank You For Your Trust."

6. In January 2018, the Washington investor couple received an update letter. The letter discussed Tilton's contacts with cannabis companies and financiers. The letter stated that Tilton had discovered "over the past several months" that CBD oil (a non-psychotropic product) might be more lucrative than the THC market: 10 times or maybe even 100 times larger. The letter also referenced "cofounder John Stroppa." The letter stated that in 2016, the plan was to buy out Stroppa for \$1 and "future considerations" with a "commitment to fund his breakthrough, world-changing smart-phone/tablet app." After receiving this letter, and being previously unaware of any commitment to fund a smart-phone/tablet app, the Washington investor asked Tilton for their money back. To date, they have not received any payments on their \$25,000 investment.

Other Investors and Another Investment Solicitation by Tilton

7. In May 2018, the Washington investor couple received a May 22, 2018 email from Tilton. The email stated that "We hit a milestone last week when we reached \$750,000...." Without naming the investors, the email listed seven investors (Investors A through C and E through H) who contributed a total of \$625,000. The email referenced a "combined opportunity" of \$40,000,000. The email stated that the next hurdle would be to raise an additional \$250,000, so that the company could meet its "year-end 2018 goal of \$500,000 in revenues." The email invited investors to contact Tilton if they wanted to add to their investment or if they knew someone else who might like to invest. The email also stated that "We have dropped full_tiltON Ventures as our name, and pending a future new name for the company, we are currently using "acwg holdings, llc: (access cannabis world group)."

Omissions of Material Facts

8. When offering and selling investments, Tilton and FTV each failed to disclose material information about the investments. Tilton and FTV failed to disclose specifically how the investor funds would be used. Tilton and FTV failed to disclose whether there was anyone with any background in the cannabis industry associated with the investment, including John Stroppa. Tilton and FTV failed to disclose any commitments to buy out Stroppa and to fund Stroppa's smartphone-tablet app. Tilton and FTV failed to disclose industry-specific risks for marijuana businesses, including the illegal nature of the business both federally and in some states; the restrictions on banking for the marijuana industry; and the risks of operating a cash business. Tilton and FTV failed to disclose the operating

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history of the persons and the company that was to manage the investment and failed to provide any financial statements for the company. Tilton failed to disclose any reasonable basis for his second investment "opportunity" of \$40,000,000 and the projected revenues of \$500,000 for 2018. Tilton failed to disclose that acwg holdings, llc: (access cannabis world group) was never formed as a limited liability company. Tilton and FTV each failed to disclose that investors could lose the entire amount of their investment.

Failure to Respond to Securities Division Warning Letter

9. On October 2, 2019, a Securities Division warning letter was delivered to Tilton's last known address in New Hampshire. The warning letter asked for follow-up information, including an identification of all of the investors and information about the use of investor funds. Tilton was to respond by no later than October 25, 2019. Tilton failed to respond to the warning letter.

Registration Status

- 10. Respondent FTV is not currently registered to sell its securities in the state of Washington and has not previously been so registered.
- 11. Respondent Tilton has not been registered to sell securities in the state of Washington since April 21, 2016.

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

CONCLUSIONS OF LAW

- 1. The offer or sale of the investments described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).
- 2. The offer and/or sale of Full_Tilton Ventures LLC securities is in violation of RCW 21.20.140 because, as set forth in the Tentative Findings of Fact, no registration for such an offer and/or sale is on file with the Securities Administrator, state of Washington.
- 3. Roger Henry Tilton has violated RCW 21.20.040 because, as set forth in the Tentative Findings of Fact, Respondent Tilton offered and sold securities while not being registered as a securities salesperson or broker-dealer in the state of Washington.

4. Roger Henry Tilton and Full_Tilton Ventures LLC have each violated RCW 21.20.010 because, as set forth in the Tentative Findings of Fact, Respondents each made untrue statements of material fact and/or omitted to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

NOTICE OF INTENT TO ORDER RESPONDENTS TO CEASE AND DESIST

Pursuant to RCW 21.20.390(1) and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents Full_Tilton Ventures LLC and Roger Henry Tilton, their agents, and their employees shall each cease and desist from violations of RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140.

NOTICE OF INTENT TO IMPOSE A FINE

Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondent Roger Henry Tilton shall be liable for and shall pay a fine of \$20,000.

NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondent Roger Henry Tilton shall be liable for and shall pay the costs, fees, and other expenses incurred in the administrative investigation and hearing of this matter, in an amount not less than \$5,000.

AUTHORITY AND PROCEDURE

This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the provisions of Chapter 34.05 RCW. Respondents Full_Tilton Ventures LLC and Roger Henry Tilton may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. If a respondent does not make a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and to

1	enter a permanent order to cease and desist as to that respondent, to impose any fines sought against that respondent,
2	and to charge any costs sought against that respondent.
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4	Signed and Entered this <u>22nd</u> day of <u>November</u> , 2019
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7	William M. Baster
8	William M. Beatty Securities Administrator
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