



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING) DFI No.: S-20-2837-22-FO01
Whether there has been a violation of the) OAH No.: 03-2022-DFI-00138
Securities Act of Washington by:)
) FINAL ORDER
Mobile Workforce, Inc.;)
David Weir,)
)
Respondents.)

THIS MATTER has come before the Director ("Director") of the Washington State Department of Financial Institutions ("Department") for entry of the Director's Final Order pursuant to RCW 34.05.464.

1.0 PROCEDURAL HISTORY

On April 2, 2021, the Director, through Securities Administrator, William M. Beatty, entered a Statement of Charges and Notice of Intent to Issue Order to Cease and Desist, to Impose Fines and to Charge Costs, S-20-2837-21-SC01, ("Statement of Charges") against Respondents Mobile Workforce, Inc. and David Weir ("Respondents"). On April 28, 2021, Respondents each submitted an Application for Adjudicative Hearing. On March 25, 2022, the Department made a request to the Office of Administrative Hearings ("OAH") to assign an Administrative Law Judge ("ALJ") to schedule and conduct a hearing on the Statement of Charges.

On Tuesday, April 12, 2022, OAH issued a Notice of Prehearing Conference from ALJ Terry Schuh. The Notice of Prehearing Conference contained the following language: "You must call in to the conference. If you fail to call in, the administrative law judge may hold you in default and dismiss your appeal. RCW 34.05.440(2)."

On Friday, April 22, 2022, the Department's representative, Assistant Attorney General Julia Eisentrout, attended the prehearing conference by telephone, but Respondents, or anyone on their behalf, failed to appear or otherwise contact OAH. On Tuesday, April 26, 2022, ALJ Terry Schuh issued an Order of Default against Respondents and dismissed their appeals.

1 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondent Mobile Workforce, Inc. and Respondent
2 David Weir had twenty (20) days from the date of service of the Order of Default to file a Petition for Review.
3 Respondent Mobile Workforce, Inc. and Respondent David Weir did not file a Petition for Review during the
4 statutory period.

5 **2.0 RECORD ON REVIEW**

6 The record presented to the Director for his review and for entry of a Final Decision & Order included the
7 following:

- 8 2.1 Request to OAH for Assignment of Administrative Law Judge;
- 9 2.2 Statement of Charges;
- 10 2.3 DFI Notice of Appearance;
- 11 2.4 Applications for Adjudicative Hearing for Respondents;
- 12 2.5 Notice of Prehearing Conference, dated Tuesday April 12, 2022, with certificate of service;
- 13 2.6 Recording of the prehearing conference; and
- 14 2.7 Order of Default, dated Tuesday, April 26, 2022, with certificate of service.

15 **3.0 FINDINGS OF FACT AND CONCLUSIONS OF LAW**

16 Pursuant to RCW 34.05.461, the Director hereby adopts the Statement of Charges, which is attached hereto.

17 **4.0 FINAL DECISION & ORDER**

18 Based upon the foregoing, and the Director having considered the record and being otherwise fully advised,
19 NOW, THEREFORE, IT IS HEREBY ORDERED:

20 4.1 Respondents Mobile Workforce, Inc. and David Weir shall each cease and desist from any further
21 violations of RCW 21.20.010.

22 4.2 Respondent Mobile Workforce, Inc. shall be liable for and shall pay a fine of \$10,000.

23 4.3 Respondent David Weir shall be liable for and shall pay a fine of \$10,000.

1 4.4 Respondents Mobile Workforce, Inc. and David Weir shall be jointly and severally liable for and
2 shall pay costs of \$5,000 for the investigation of their violations of the Securities Act of Washington, chapter 21.20.
3 RCW.

4 5.0 RECONSIDERATION

5 Pursuant to RCW 34.05.470, the Respondent has the right to file a Petition for Reconsideration stating the
6 specific grounds upon which relief is requested. The Petition must be filed in the Office of the Director of the
7 Department of Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S.
8 Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon
9 Respondents. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
10 Reconsideration a prerequisite for seeking judicial review in this matter.

11 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date the petition
12 is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written notice specifying the date
13 by which it will act on a petition.

14 6.0 STAY OF ORDER

15 The Director has determined not to consider a Petition to Stay the effectiveness of this order. Any such
16 requests should be made in connection with a Petition for Judicial Review made under chapter 34.05 RCW and RCW
17 34.05.550.

18 7.0 JUDICIAL REVIEW

19 Respondents have the right to petition the superior court for judicial review of this agency action under the
20 provisions of chapter 34.05 RCW. For the requirements for filing a Petition for Judicial Review, see RCW 34.050.510
21 and sections following.

22 8.0 NON-COMPLIANCE WITH ORDER

23 If Respondents do not comply with the terms of this order, the Department may seek its enforcement by the
24 Office of Attorney General to include the collection of fines and fees imposed herein. Failure to comply with this
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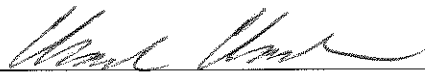
Final Decision & Order may also prompt additional actions against Respondents by the Department as permitted by the Securities Act of Washington, Chapter 21.20 RCW, for failure to comply with a lawful order of the Department.

9.0 SERVICE

For purposes of filing a Petition for Reconsideration or a Petition for Judicial Review, service is effective upon deposit of this order in the U.S. mail with a declaration of service attached hereto.

DATED this 24th day of May 2022.

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS



CHARLES E. CLARK, Director
Washington State Department of Financial Institutions



1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation of the
6 Securities Act of Washington by:

7 Mobile Workforce, Inc.
8 David Weir,
9 Respondents.

Order No. S-20-2837-21-SC01

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

10 **THE STATE OF WASHINGTON TO:**

Mobile Workforce, Inc.
David Weir

11 **STATEMENT OF CHARGES**

12 Please take notice that the Securities Administrator of the state of Washington has reason to believe
13 that Respondents Mobile Workforce, Inc. and David Weir violated the Securities Act of Washington. The
14 Securities Administrator believes these violations justify the entry of an order against Respondent David
15 Weir to cease and desist from such violations, to impose a fine, and to charge costs pursuant to RCW
16 21.20.390 and RCW 21.20.395. The Securities Administrator finds as follows:

17 **TENTATIVE FINDINGS OF FACT**

18 **Respondents**

19 1. Mobile Workforce, Inc. (Mobile Workforce) is a Delaware corporation formed on October
20 27, 2003 with its principal place of business in Port Orchard, Washington. Mobile Workforce is a medical
21 supply chain management business. Mobile Workforce sells inventory management software and self-
22 contained sterilization kits to the medical industry.

23 2. David Weir (Weir) resides in Gig Harbor, Washington. Weir is the President and CEO of
Mobile Workforce.

Nature of the Conduct

1 *Overview*

2 3. In 2018, Mobile Workforce and Weir raised at least \$41,000 from three investors through the
3 sale of Mobile Workforce stock. Mobile Workforce and Weir failed to disclose material information about
4 the investment to the investors, including two outstanding federal tax liens against Mobile Workforce and
5 a pending civil lawsuit against Mobile Workforce and Weir.

6 *Mobile Workforce Stock Offering*

7 4. In or around September 2018, Mobile Workforce and Weir offered investors an opportunity
8 to invest in Mobile Workforce stock. Weir offered one of the investors his personal stock. Weir told another
9 investor that a prior Mobile Workforce investment round had never closed and there was some stock still
10 available before the next investment round.

11 5. Mobile Workforce and Weir represented to investors that Mobile Workforce is a successful
12 company. Mobile Workforce and Weir explained to investors that Mobile Workforce manufactures and
13 sells sterilization kits that are designed to be used in operating rooms by medical professionals. Mobile
14 Workforce and Weir also explained to investors that Mobile Workforce has developed software that tracks
15 inventory for the medical industry.

16 6. Mobile Workforce and Weir represented to at least two investors that Mobile Workforce
17 planned to take the company public soon. Mobile Workforce and Weir told at least two investors that they
18 should invest in this private investment opportunity soon before Mobile Workforce goes public, which
19 created in them a sense of urgency to purchase the stock quickly. Both of these investors understood that
20 the value of their private stock would become more valuable once Mobile Workforce had a public offering
21 of its stock. Mobile Workforce and Weir failed to provide at least two investors with a reasonable basis for
22 the representation that Mobile Workforce would go public soon.

1 7. Mobile Workforce and Weir did not provide any written offering materials or subscription
2 agreements to at least one investor. Mobile Workforce and Weir failed to disclose any risks associated with
3 an investment in Mobile Workforce stock to at least one investor.

4 8. In September 2018, investors purchased a total of \$41,000 worth of Mobile Workforce stock.
5 Two of these investors were Washington State residents and invested a total of \$21,000. Mobile Workforce
6 and Weir provided at least one investor with a Notice of Issuance of Stock Certificate. Mobile Workforce
7 and Weir provided two investors with a subscription agreement.

8 9. Mobile Workforce and Weir sold stock to investors at varying prices per share. During a one
9 week period at the end of September 2018, Mobile Workforce and Weir sold stock to one investor at
10 approximately 35 cents per share and to the two other investors for 1 dollar per share. When offering and
11 selling the stock, Mobile Workforce and Weir failed to disclose to at least two investors this variation in
12 stock valuation.

13 10. Mobile Workforce and Weir failed to disclose to investors that the IRS had filed two
14 outstanding federal tax liens totaling approximately \$70,000 against Mobile Workforce. Mobile Workforce
15 and Weir failed to disclose to investors that these tax liens could adversely affect Mobile Workforce's
16 ability to raise further investment funds in a public offering of its stock or otherwise.

17 11. Mobile Workforce and Weir failed to disclose to at least two investors that they were the
18 defendants in a pending civil lawsuit. In this lawsuit, a former Mobile Workforce employee alleged that
19 Mobile Workforce and Weir violated the Washington Law Against Discrimination (RCW 49.60 *et seq.*)
20 and the Washington Wage Payment Act (RCW 49.48 *et seq.*). In or around November 8, 2018, Mobile
21 Workforce and Weir settled this lawsuit with the plaintiff for \$210,000, \$30,333 of which was paid on
22 November 8, 2018.

1 and severally liable for and for and shall pay the costs, fees, and other expenses incurred in the
2 administrative investigation and hearing of this matter, in an amount not less than \$5,000.

3 **AUTHORITY AND PROCEDURE**

4 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject
5 to the provisions of Chapter 34.05 RCW. Mobile Workforce Inc. and David Weir may each make a written
6 request for a hearing as set forth in the Notice of Opportunity for Hearing accompanying this Order. If a
7 respondent does not make a hearing request in the time allowed, the Securities Administrator intends to
8 adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order
9 to cease and desist as to that respondent, to impose any fines sought against that respondent, and to charge
10 any costs sought against that respondent.

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12 SIGNED and ENTERED this 2nd day of April, 2021.

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16 _____
William M. Beatty
Securities Administrator

17 Approved by:

17 Presented by:

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21 _____
Suzanne Sarason
Chief of Enforcement

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21 _____
Brian J. Guerard
Financial Legal Examiner Supervisor