

1
2
3
4
5
6

**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:

Order No.: S-20-2880-21-CO01

CONSENT ORDER

Christopher Hoover,

Respondent

7
8

INTRODUCTION

9
10
11
12
13
14
15

On November 13, 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-20-2880-20-SC01, against Respondent Christopher Hoover. Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division and Respondent Christopher Hoover hereby enter into this Consent Order in settlement of the matters set forth in the Statement of Charges and as alleged below. Respondent Christopher Hoover neither admits nor denies the Findings of Fact and Conclusions of Law as stated below.

16

FINDINGS OF FACT

17

Respondent

18
19
20
21
22
23

1. Christopher Joseph Hoover (“Hoover”) is a resident of Spring City, Pennsylvania. As detailed further below, Hoover posted a Craigslist ad directed toward Snohomish County, soliciting an investment opportunity in a medical system. This advertisement contained numerous false or potentially misleading claims, and Hoover refused to provide further information about the investments when contacted by the Securities Division. Hoover filed for bankruptcy in August 2019, but the bankruptcy was dismissed after the

CONSENT ORDER

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

1 case was selected for an audit by the United States Trustee and Hoover failed to file documents required by
2 the court.

3 **Nature of the Conduct**

4 **Overview**

5 2. On or about March 18, 2020, Hoover posted an advertisement in the Snohomish County
6 “financial services” section of Craigslist, for an investment in a medical system.¹ Hoover characterized the
7 investment as a “Silver Lining Bio Tech Opportunity” with an “\$8-\$16K Monthly ROI.” In the posting,
8 Hoover described a medical system which could purportedly identify a number of medical conditions, such
9 as “silent heart attack” or “diabetic autonomic neuropathy.” Hoover claimed that “[d]ue to the recent demand
10 by Medical Facilities nationwide” for this system, “we need investors/partners, and that “Corona Virus has
11 caused a surge in the demand for our system as we many medical facilities [*sic*] requesting a system in their
12 practice. You won’t find a better investment opportunity with these returns.” In addition to the “\$8-\$16K
13 Monthly ROI” in the subject line of the ad, Hoover claimed in the body of the ad that “[m]onthly returns are
14 \$8K to \$15K+ per month per facility.” Hoover did not disclose the basis for these assumptions, or any risks
15 associated with the investment, such as the risk that medical facilities’ revenue would be substantially reduced
16 or that they would shift treatment resources to coronavirus and be unable to use the advertised product.

17 3. In the Craigslist ad, Hoover included a link to a YouTube video which claimed that the system
18 was offered by “BioTek Medical Partners.” Both the video and Hoover’s Craigslist advertisement claimed
19 that the system was FDA-approved. DFI’s search of FDA databases did not locate any company under the
20 name “BioTek Medical Partners,” or any variation thereof. The advertisement also lists a phone number, 800-
21 733-8440, which is answered by an automated system and does not appear to have a human operator, but
22

23 ¹ Although they are available to the general public, Craigslist postings must be targeted to a specific geographic area, generally one centered around a major city.

1 which phone records indicate was established by Hoover in February 2020. The Securities Division's search
2 of public records, and of the Internet generally, also has not located any results for companies using that phone
3 number. Finally, while there is an established medical science company named BioTek Instruments, Inc., staff
4 for the company have confirmed that Hoover is not an employee and that they do not have records of anyone
5 under that name reaching out to the company.

6 4. On March 26, 2020, the Securities Division sent Hoover a subpoena via email for various
7 documents related to the Craigslist ad. Hoover refused to respond to the subpoena, and has not otherwise
8 communicated with the Securities Division beyond an initial email. Hoover also did not remove the Craigslist
9 ad, which was still on the site for at least two weeks after Hoover received the Securities Division's warning.

10 **Registration Status**

11 5. Hoover is not and has never been registered to sell securities in the State of Washington.

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

13 **CONCLUSIONS OF LAW**

14 1. The offer of the medical device investment opportunity described above constituted the offer
15 and/or sale of a security as defined in RCW 21.20.005(14) and (17).

16 2. Respondent Christopher Joseph Hoover violated RCW 21.20.140, because, as set forth in the
17 Tentative Findings of Fact, he offered securities for which no registration is on file with the Securities
18 Administrator.

19 3. Respondent Christopher Joseph Hoover has violated RCW 21.20.010, because, as set forth in
20 the Tentative Findings of Fact, he made untrue statements of material fact or omitted to state material facts
21 necessary to make the statements made, in light of the circumstances in which they were made, not misleading.

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

23 **CONSENT ORDER**

CONSENT ORDER

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

1 IT IS AGREED AND ORDERED that Respondent Christopher Hoover, and his agents and
2 employees, each shall cease and desist from violating RCW 21.20.140, the securities registration section of
3 the Securities Act of Washington.

4 IT IS FURTHER AGREED AND ORDERED that Respondent Christopher Hoover, and his agents
5 and employees, each shall cease and desist from violating RCW 21.20.040, the securities salesperson and
6 broker-dealer registration section of the Securities Act of Washington.

7 IT IS FURTHER AGREED AND ORDERED that Respondent Christopher Hoover, and his agents
8 and employees, each shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the
9 Securities Act of Washington.

10 IT IS FURTHER AGREED AND ORDERED that Respondent Christopher Hoover shall be liable for
11 and shall pay a fine of \$500 prior to the entry of this Consent Order.

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

13 IT IS FURTHER AGREED that Respondent Christopher Hoover enters into this Consent Order freely
14 and voluntarily and with a full understanding of its terms and significance.

15 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Christopher Hoover
16 waives his right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter
17 34.05 RCW.

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

19
20 Signed this 26th day of May, 2021.

21
22 Signed by:

23
CONSENT ORDER

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

_____/s_____
Christopher Hoover, Individually

Approved as to form by:

_____/s_____
Michelle Harhai, Attorney for Respondent
Pennsylvania Bar # 95088

SIGNED and ENTERED this 15th day of June, 2021.



William M. Beatty
Securities Administrator

Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Adam N. Yeaton
Financial Legal Examiner

Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor

CONSENT ORDER

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

CONSENT ORDER

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