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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:

5 New Vision Properties, LLC; Jimi T. Ward; Order No. S-20-3048-21-SC01

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

Respondents.

THE STATE OF WASHINGTON TO:

New Vision Properties, LLC Jimi Terrell Ward

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents New Vision Properties, LLC and Jimi T. Ward violated the Securities Act of Washington. The Securities Administrator believes these violations justify the entry of an order against Respondents New Vision Properties, LLC and Jimi T. Ward to cease and desist from such violations, to impose fines, and to charge costs pursuant to RCW 21.20.390 and RCW 21.20.395. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

New Vision Properties, LLC was a Washington limited liability company formed on February
 9, 2018. New Vision Properties, LLC used a business address in Walla Walla, Washington and was in the
 business of buying, rehabilitating, and reselling residential properties. In January 2020, New Vision
 Properties, LLC filed a voluntary bankruptcy petition under Chapter 11. In April 2020, the United States
 Trustee filed a motion to dismiss the case and it was later dismissed in July 2020. New Vision Properties,
 LLC was administratively dissolved on July 3, 2020.

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2. Jimi Terrell Ward ("Ward") was the CEO, owner, and Manager of New Vision Properties, LLC. During the relevant time period, Ward resided in Walla Walla, Washington. In December 2014, Ward was sentenced in the United States District Court for the Southern District of Ohio to 36 months imprisonment after pleading guilty to one count of conspiracy to possess with the intent to distribute 1,000 or more kilograms of marijuana. Ward was also fined \$5,000 and sentenced to five years of supervised release. Ward was released from prison in approximately December 2017, and was on supervised release by the United States Probation Office until October 2020.

Nature of the Conduct

Overview

3. Between 2018 and 2019, Ward raised a total of approximately \$100,000 from two investors for his business, New Vision Properties. Ward told investors that he would use investor funds to renovate and "flip" houses, which would enable them to earn large returns on their investments. Both investors were passive and relied on Ward to generate a return on their investments. Ward did not provide investors with a written disclosure document containing material information regarding New Vision Properties, its financial condition, or the history of its operations. Ward failed to provide the investors with any financial statements or any written disclosure regarding the general and specific risks of the investments. Ward failed to disclose his prior felony conviction or that fact that he was subject to supervision by the United States Probation Office. Each investor provided Ward with a credit card that he later used for thousands of dollars in unauthorized charges.

Oregon Investor

4. In 2017, Ward was released from federal prison into a halfway house. Within a few months, a senior citizen residing in Portland, Oregon (the "Oregon investor") invested \$60,000 with Ward, using

proceeds from the sale of a property that she owned. These funds constituted a substantial portion of the investor's life savings.

5. The Oregon investor initially became in contact with Ward after calling a used car lot in Walla Walla where Ward was working at the time. Ward told the Oregon investor that he had a business named New Vision that flipped houses and that she could invest in his company and earn large profits. Ward said that he previously flipped houses in Ohio, but did not disclose detailed information regarding his prior experience or track record in flipping houses.

In April 2018, Ward came to the investor's home in Oregon. Ward represented that if the 6. 8 9 investor invested \$60,000, she would be paid \$6,000 per month and could get her investment funds back at any time. The investor provided a \$60,000 check that was made out to Ward. The word "Investment" is 10 written on the memo line of the check. Ward failed to provide the Oregon investor with a written agreement 11 containing the material terms of the investment, or any written disclosure regarding the risks of the 12 investment. Ward told the Oregon investor that he would use her funds to purchase and renovate a specific 13 home in Walla Walla. Ward represented that he had other investors, but did not disclose any other 14 information, such as the amount and terms of their investments. Ward did not provide any financial 15 statements for New Vision Properties and he did not disclose the risks of investing in newly formed business 16 17 with little or no operating history.

7. A few days after receiving the Oregon investor's check, New Vision Properties purchased a
home in Walla Walla for approximately \$196,000. A few months later, Ward made small payments to the
Oregon investor that totaled about \$13,500. In November 2018, New Vision Properties sold the Walla
Walla home for approximately \$279,000. Ward told the Oregon investor that he would repay her using the
proceeds from another property, but failed to do so. Ward provided the Oregon investor with at least five
checks that were returned for insufficient funds, including a check for \$87,000 and a check for \$60,000.

STATEMENT OF CHARGES

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8. Around the time of her investment, Ward convinced the Oregon investor to provide him with one of her credit cards. Between approximately May and July 2018, Ward used the credit card for numerous unauthorized transactions, including thousands of dollars in payments to his business, New Vision Properties, and a \$2,500 payment to a pawn shop in Ohio.

Washington Investor

9. In April 2019, Ward sold a \$40,000 investment to a resident of Walla Walla (the "Washington investor"). A few weeks earlier, in February 2019, Ward came to the investor's architectural business in Walla Walla and she began providing architectural services to Ward and New Vision Properties. Ward met with Washington investor and he offered her an investment opportunity relating to a home in Walla Walla that was purchased by New Vision Properties in March 2019 for approximately \$256,500. Ward represented that he was raising funds to renovate the home, and that he would resell it a few months later at a profit.

Ward represented to the Washington investor that he would secure her promissory note by 10. recording a deed of trust against the property. Ward failed to disclose that he already recorded a deed of trust against the property to secure a \$210,000 promissory note that was issued by New Vision Properties in February 2019. Ward failed to record any deed of trust to secure the Washington investor's promissory note.

11. Ward made misleading statements concerning his track record and experience. Ward told the Washington investor that he had other investors and that he had been flipping homes for years. Ward showed the Washington investor photos of other homes that he had successful renovated, including a home in Walla Walla. Ward failed to disclose material information regarding the investment that he sold to the Oregon investor in April 2018. Ward failed to disclose that he did not fully repay the Oregon investor after

selling the home in Walla Walla that was the subject of her investment. Ward did not disclose that he had written multiple checks to the Oregon investor that were returned for insufficient funds.

12. Ward and New Vision Properties issued a promissory note to the Washington investor for a \$40,000 investment. The promissory note represented that New Vision Properties would repay the investor \$55,000 in six months and that the investor would receive a minimum profit of \$15,000. Ward signed the note in his individual capacity and as the manager of New Vision Properties. Ward provided the investor with wire instructions for a bank account in the name of New Vision Properties. The investor took out a loan and paid \$20,000 to New Vision Properties. Ward represented that the investor's funds would be used for the wages of his employees and contractors.

In connection with the promissory note, the Washington investor provided Ward with a 13. business credit card. The Washington investor authorized Ward to use the credit card to purchase up to \$20,000 in building materials, which were to be used to renovate the home in Walla Walla. The Washington investor later determined that Ward used the credit card for unauthorized personal expenses unrelated to the investment, including more than \$600 in charges at a pawn shop in Ohio.

The Washington investor has not been repaid. In addition to her investment losses, the 14. Washington investor is also owed thousands of dollars for unpaid architectural services that her business provided to Ward and New Vision Properties.

Registration Status

New Vision Properties, LLC is not currently registered to sell its securities in the state of 15. Washington and has not previously been so registered, nor has it filed a claim of exemption from registration.

16. Jimi T. Ward is not currently registered as a securities salesperson or broker-dealer in the state of Washington and has not previously been so registered.

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

CONCLUSIONS OF LAW

1. The offer and/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. New Vision Properties, LLC and Jimi T. Ward violated RCW 21.20.140 by offering and/or selling securities for which no registration is on file with the Securities Administrator.

3. Jimi T. Ward violated RCW 21.20.040 by offering and/or selling said securities while not being registered as a securities salesperson or broker-dealer in the state of Washington.

4. New Vision Properties, LLC and Jimi T. Ward violated RCW 21.20.010 by making untrue statements of material fact or omitting to state material facts necessary to make the statements made, in light of the circumstances in which they were made, not misleading.

NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST

Pursuant to RCW 21.20.390(1), and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order Respondents New Vision Properties, LLC and Jimi T. Ward, and their agents and employees, to each permanently cease and desist from violating RCW 21.20.010 and RCW 21.20.140 and Respondent Jimi T. Ward and his agents and employees to permanently cease and desist from violating RCW 21.20.040.

NOTICE OF INTENT TO IMPOSE FINES

Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondent New Vision Properties, LLC shall be liable for and shall pay a fine of \$10,000 and that Respondent Jimi T. Ward shall be liable for and shall pay a fine of \$10,000.

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 Respondents New Vision Properties, LLC and Jimi T. Ward shall be liable for and 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 \$2,500.

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 New Vision Properties, LLC and Jimi T. Ward may each make a written request for a hearing as set forth in the Notice of 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 enter a permanent order to cease and desist as to that respondent, to impose any fines sought against that respondent, and to charge any costs sought against that respondent.

SIGNED and ENTERED this <u>28th</u> day of <u>January</u>

. 2021.

William M. Beatty Securities Administrator

Approved by:

An Sam

Suzanne Sarason Chief of Enforcement Presented by:

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Robert Kondrat Financial Legal Examiner