

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:

B Squared Software, Inc.; and its employees  
and agents,

Respondents. \_\_\_\_\_

SDO - 12 - 99

CONSENT ORDER

Case No. 98-10-349

THE STATE OF WASHINGTON TO: B Squared Software, Inc.

Pursuant to the Securities Act of Washington, ch. 21.20 RCW, the Securities Division, Department of Financial Institutions, State of Washington ("Securities Division"), and Respondent B Squared Software, Inc., do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondent neither admits nor denies the Tentative Findings of Fact and Tentative Conclusions of Law as set forth below.

**TENTATIVE FINDINGS OF FACT**

**I.**

B Squared Software, Inc. ("B Squared") has its principal place of business located at 16291 Gothard Street, Huntington Beach, CA 92647.

**II.**

From October 21, 1998 through October 24, 1998, representatives of B Squared participated in a trade show/seminar called the Second Annual Seattle Money Show ("Money Show") in Seattle, Washington. The Money Show is a commercial venture marketed to the general public who have access to a number of business and commercial vendors involved in the financial industries, including B Squared. Securities Division investigators attended the Money Show and visited a table where they received sales literature that advertised the sale of B Squared stock and described B Squared's business of consulting, engineering, and software development.

CONSENT ORDER

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

1 III.

2 B Squared is not currently registered to offer its securities in the state of Washington, has not previously been so  
3 registered, and no notification of claim of exemption for such offers are on file with the Securities Administrator for the  
4 State of Washington.

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

6 **TENTATIVE CONCLUSIONS OF LAW**

7 I.

8 The offer of B Squared stock described above constitutes the offer of a security as defined in RCW 21.20.005(10)  
9 and (12), to wit: stock; an investment contract; or risk capital.

10 II.

11 The offer of B Squared stock is in violation of RCW 21.20.140 because no registration for such offer is on file  
12 with the Securities Administrator for the State of Washington.

13 **ORDER AND CONSENT**

14 Based on the foregoing,

15 IT IS HEREBY AGREED AND ORDERED that B Squared, and its employees and agents, each cease and desist  
16 from offering securities in any manner in violation of RCW 21.20.140, the section of the Securities Act of Washington  
17 requiring registration.

18 IT IS AGREED that B Squared will reimburse the Securities Division \$500 for its costs of the investigation.

19 IT IS AGREED that B Squared waives its right to a hearing in this matter.

20 IT IS AGREED that the Securities Division has jurisdiction to enter this order.

21 Dated this \_\_\_\_ day of \_\_\_\_\_, 1999.

22 \_\_\_\_\_  
B Squared Software, Inc.

23 By: \_\_\_\_\_  
24 (Print name and title)

25 CONSENT ORDER

THIS ORDER ENTERED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 1999, BY:

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DEBORAH R. BORTNER  
Securities Administrator

Approved by:

Presented by:

\_\_\_\_\_  
Michael E. Stevenson  
Chief of Compliance

\_\_\_\_\_  
Paul S. Ocampo  
Staff Attorney