

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:

CLEMENT IREO EJEDAWE, a.k.a. CLEM CHAD,
and BRADFORD CAPITAL GROUP, INC.

SDO -_02(A)___-00

STATEMENT OF CHARGES AND NOTICE
OF INTENTION TO ENTER ORDER TO
CEASE AND DESIST

Case No. 99-04-121

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, CLEMENT IREO EJEDAWE, a.k.a. CLEM CHAD, and BRADFORD CAPITAL GROUP, INC., have each violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I.

RESPONDENTS' SALES ACTIVITIES

In 1996, Clement Ireo Ejedawe, using the alias Clem Chad, solicited at least two Washington investors to purchase investments totaling more than \$50,000 in North Lilli Pipeline, LLC ("North Lilli"), a Nevada limited liability company that was supposed to build and own a gas pipeline in Colorado. Ejedawe did business in Los Angeles, California as a representative of Bradford Capital Group, Inc. ("Bradford Capital"). It appears that Ejedawe and Bradford Capital used telemarketing to sell North Lilli limited liability company interests to more than 75 investors across the country. The investors were not required to participate in the business or management of North Lilli.

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

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II.

RESPONDENTS' MISREPRESENTATIONS AND OMISSIONS

When offering and selling the North Lilli investment, Edjedawe misrepresented the profitability of the investment by telling at least one Washington investor that the investment would earn more than \$1,000 per month. Edjedawe misrepresented the safety of the investment by telling at least one Washington investor that the investment was "99% risk free." Edjedawe and Bradford Capital also failed to disclose significant potential risks of the investment, including inadequate capitalization, the failure to escrow investor funds, potential cost overruns, pipeline construction safety issues, the failure to obtain government permits for constructing a pipeline on government lands, the failure to obtain binding approval from surface landowners to install a pipeline on private lands, the risk of gas shutoffs by the main pipeline owners, projected operating costs and the basis for the projections, projected pipeline charges and the basis for the projections, projected volumes of gas to flow through the pipeline and the basis for the projections, price fluctuations in the market for natural gas and the identity and business background of the managers of North Lilli. Edjedawe and Bradford Capital failed to provide financial statements for North Lilli. Edjedawe and Bradford Capital also failed to disclose that they had been ordered by the Ohio Securities Division in May 1995 to cease and desist from offering and selling unregistered securities in connection with the sale of a joint venture partnership and a working interest in an oil or gas well.

III.

North Lilli Pipeline, LLC is not currently registered to sell its securities in the state of Washington and has not previously been so registered.

IV.

Clement Ireo Edjedawe and Bradford Capital Group, Inc. are not currently registered as securities salespersons or broker-dealers in the state of Washington and have not previously been so registered.

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

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CONCLUSIONS OF LAW

I.

The offer and/or sale of the investments described in paragraphs I and II of the Tentative Findings of Fact constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12), to wit: investment contract and/or risk capital.

II.

The offer and/or sale of said securities is in violation of RCW 21.20.140 because no registration has been filed in the state of Washington.

III.

Clement Ireo Edjedawe and Bradford Capital Group, Inc. have each violated RCW 21.20.040 by offering and/or selling said securities while not registered as a securities salesperson or broker-dealer in the state of Washington.

IV.

The offer and/or sale of said securities was made in violation of RCW 21.20.010 because each of the Respondents made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

NOTICE OF INTENTION TO ORDER RESPONDENTS TO CEASE AND DESIST

Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents, and their agents and employees, shall each permanently cease and desist from violations of RCW 21.20.010, 21.20.040, and RCW 21.20.140.

AUTHORITY AND PROCEDURE

This STATEMENT OF CHARGES AND NOTICE OF INTENTION TO ENTER ORDER TO CEASE AND DESIST is entered pursuant to the provisions of RCW 21.20.390 and is subject to the provisions of ch.

STATEMENT OF CHARGES AND NOTICE OF INTENTION TO ENTER ORDER TO CEASE AND DESIST

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360-902-8760

1 34.05 RCW. The respondents may each make a written request for a hearing as set forth in the NOTICE OF
2 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order. If a
3 respondent fails to request a hearing within the allowed time, the Securities Administrator intends to adopt the
4 above Tentative Findings of Fact and Conclusions of Law and enter a Final Order to Cease and Desist against that
5 respondent.

6 DATED this _____ day of January, 2000.

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8 _____
9 DEBORAH R. BORTNER
10 Securities Administrator

11 Presented by:

12 _____
13 Janet So
14 Securities Examiner

15 Approved by:

16 _____
17 Michael E. Stevenson
18 Chief of Compliance