

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:

Bradley T. Carlson,
Respondent.

SDO - 99 - 34

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL
ORDER TO CEASE AND DESIST

Case No. 98-08-246

THE STATE OF WASHINGTON TO: BRADLEY T. CARLSON
2518 175th NE
REDMOND, WA 98052

On April 7, 1999, the Securities Administrator of the State of Washington issued a Statement of charges and Notice of Intention to Enter Order to Cease and Desist ("Statement of Charges") to Bradley T. Carlson ("Carlson").

The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing ("Notice of Opportunity for Hearing") and an Application for Adjudicative Hearing ("Application for Hearing") thereon, were served on Carlson on April 10, 1999, by Certified Mail. The Notice of Opportunity for Hearing advised Carlson that he had twenty days from the date he received the Notice of Opportunity for Hearing to file a written application for an administrative hearing on the Statement of Charges.

Carlson failed to request an administrative hearing within twenty days of his receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for hearing provided or otherwise.

The Securities Administrator therefore will adopt as final the findings of fact and conclusions of law as set forth in the Statement of Charges.

The Securities Administrator makes the following findings of fact and conclusions of law:

ENTRY OF FINDINGS OF FACT AND 1
CONCLUSIONS OF LAW AND FINAL ORDER
TO CEASE AND DESIST

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

1 **FINDINGS OF FACT**

2 **RESPONDENT**

3 1. Carlson was a member and Treasurer of the MIG Fund ("MIG" a/k/a Monkey Investment Group), a
4 private investment club, from the inception of MIG on April 9, 1996 until his resignation on July 28, 1998.

5 2. As Treasurer for MIG, Carlson received MIG's account statements from Towne Bank and Charles
6 Schwab ("Schwab"). Carlson also had the responsibility of making monthly financial reports to MIG, co-signing MIG's
7 checks and making the securities transactions, as instructed by MIG group vote.

8
9 **NATURE OF CARLSON'S CONDUCT**

10 3. Carlson misappropriated funds from MIG by forging the required co-signatures on checks. Thereafter,
11 Carlson failed to make many of the authorized securities purchases for MIG since it had insufficient funds to cover the
12 purchases. Carlson then covered up those actions by preparing false financial statements for presentation to the other MIG
13 members.

14 4. Beginning on July 14, 1996 and continuing through July 3, 1998, Carlson used checks drawn on MIG's
15 bank account with Towne Bank to make a series of seventeen withdrawals, totaling \$7,600 and deposited those funds to
16 his own personal bank account at the Seattle Postal Employees Credit Union.

17 5. MIG had not authorized these payments to Carlson.

18 6. The required co-signature on each check was forged.

19 7. In order to conceal his misuse of MIG funds, Carlson submitted false reports to MIG. He falsely claimed
20 to have purchased, for MIG's account, securities whose purchase had been authorized by MIG group vote.

21 8. On September 3, 1997 MIG authorized the purchase of 100 shares of United Security Bank ("USBN").
22 MIG already owned 100 shares of USBN. Carlson failed to execute the transaction and then falsely reported the purchase
23 to MIG, on the financial report dated September 30, 1997, which showed MIG owning a total of 200 shares of USBN,
24 with an additional 100 shares having been purchased at a cost of \$1,689.73.

25 ENTRY OF FINDINGS OF FACT AND 2
26 CONCLUSIONS OF LAW AND FINAL ORDER
27 TO CEASE AND DESIST

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