

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:

SHIP-ENSURE, INC. and HARVEY GUINDI
Respondents

SDO - 041 - 01

SUMMARY ORDER TO CEASE AND DESIST

Case No. 01-04-164

THE STATE OF WASHINGTON TO: HARVEY GUINDI and SHIP-ENSURE, INC.

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, SHIP-ENSURE, INC. and HARVEY GUINDI, 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 that delay in ordering Respondents to cease and desist from such violations would be hazardous to investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I.

RESPONDENTS

1. Ship-Ensure, Inc. is a Nevada corporation with its principal place of business at 3848 Campus Drive, #118, Newport Beach, California 92660. Ship-Ensure, Inc. purports to be a provider of online escrow services that facilitate Internet commerce.

2. Harvey Guindi is president of Ship-Ensure, Inc.

SUMMARY ORDER TO CEASE AND DESIST 1

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

1 II.

2 OFFER AND SALE OF STOCK

3 During the year 2000, Ship-Ensure, Inc. ("Ship-Ensure") and Harvey Guindi offered and sold shares of Ship-
4 Ensure stock to at least one Washington resident. In April 2000, after being solicited by phone, a Washington investor
5 purchased 2,000 shares of Ship-Ensure stock for \$10,000.

6 III.

7 MISREPRESENTATIONS AND OMISSIONS

8 In connection with the offer and sale of Ship-Ensure stock, the company's "investor relations" department sent a
9 Washington investor a "confidential business plan" containing false or misleading statements and omitting significant
10 information about the company. The business plan represented that "Ship-Insure, Inc." would be profitable from the date
11 of commencement and falsely "guaranteed" that an investor would "make money" and a "lot of it." The business plan
12 included forecasted financial statements showing revenues that increased from \$0/month to more than \$2 million/month
13 within six months. The business plan did not provide any reasonable basis for the forecasted revenue growth.
14 Furthermore, the business plan failed to clearly identify which company was issuing securities, how many securities were
15 being issued, how the proceeds from the sale of the securities would be used, how much money the issuer needed to
16 support its operations, how long the issuer had been in business and exactly what type of services the issuer provided. In
17 addition, the business plan failed to disclose the risks of the investment. When offering and selling Ship-Ensure stock to a
18 Washington investor, neither Ship-Ensure nor Guindi disclosed the missing information to the investor.

19 IV.

20 UNREGISTERED SECURITIES

21 Ship-Ensure is not currently registered to sell its stock in the state of Washington and has not previously been so
22 registered.
23
24

V.

UNREGISTERED SECURITIES BROKER-DEALER OR SALESPERSON

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

VI.

THREAT TO THE INVESTING PUBLIC

Based upon Ship-Ensure's and Guindi's misrepresentations or omissions about the projected profitability of the company, the guarantees associated with the investment and the risks and terms of the investment, the Securities Administrator finds that entry of a summary order to cease and desist is in the public interest and necessary for the protection of the investing public.

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

CONCLUSIONS OF LAW

I.

The offer and sale of stock described in paragraph II of the Tentative Findings of Fact constitutes the offer and sale of a security, as defined in RCW 21.20.005(10) and (12).

II.

The offer and sale of said securities is in violation of RCW 21.20.140 because no registration for such offer or sale is on file with the Washington Securities Administrator.

III.

Harvey Guindi has violated RCW 21.20.040 by offering and selling said securities while not registered as a securities broker-dealer or salesperson in the state of Washington.

IV.

The offer and sale of said securities was made in violation of RCW 21.20.010 because, as described in paragraphs I through III of the Tentative Findings of Fact, in connection with the offer and sale of the securities, Respondents each

1 made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made
2 not misleading.

3 V.

4 The Securities Administrator finds that an emergency exists, that Respondents' continued violations of RCW
5 21.20.010, RCW 21.20.040 and RCW 21.20.140 constitute a threat to the investing public and that a summary order to
6 cease and desist from those violations is in the public interest and necessary for the protection of the investing public.

7 **SUMMARY ORDER**

8 Based upon the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Respondents,
9 SHIP-ENSURE, INC. and HARVEY GUINDI, and their agents and employees, shall each cease and desist from offering
10 or selling securities in any manner in violation of RCW 21.20.140, the securities registration section of the Securities Act
of Washington.

11 It is further SUMMARILY ORDERED that HARVEY GUINDI, and his agents and employees, shall each cease
12 and desist from violating RCW 21.20.040, the securities broker-dealer and salesperson registration section of the
13 Securities Act of Washington.

14 It is further SUMMARILY ORDERED that Respondents, SHIP-ENSURE, INC. and HARVEY GUINDI, and
15 their agents and employees, shall each cease and desist from violating RCW 21.20.010, the anti-fraud section of the
16 Securities Act of Washington.

17 **AUTHORITY AND PROCEDURE**

18 This SUMMARY ORDER TO CEASE AND DESIST is entered pursuant to the provisions of RCW 21.20.390
19 and is subject to the provisions of ch. 34.05 RCW. The respondents, SHIP-ENSURE, INC. and HARVEY GUINDI, may
20 each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
21 OPPORTUNITY FOR HEARING accompanying this order. If a respondent fails to request a hearing within the allowed
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1 time, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final
2 and to enter a permanent cease and desist order against that respondent.

3 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE

4 DATED this 30th day of May, 2001.

5
6 

7 DEBORAH R. BORTNER
8 Securities Administrator

9
10 Approved by:

Presented by:

11 _____
12 Michael E. Stevenson
13 Chief of Enforcement

14 _____
15 Janet So
16 Securities Examiner