

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:

GENERAL MARKETING ASSOCIATES,
INC., ALAN DAVIS, and STEVEN
CHAUSSE,

Respondents.

SDO - 043 - 02

CONSENT ORDER TO CEASE AND DESIST
AND VACATING ORDER SDO - 044 - 01 AS TO
RESPONDENT STEVEN CHAUSSE

Case No. 01 - 04 - 137

THE STATE OF WASHINGTON TO:

Steven Chausse
19380 Collins Avenue, Apt. 304
Miami, Florida 33160

Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division of the Department of Financial Institutions, State of Washington, and Respondent Steven Chausse, do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondent wishes to obtain final disposition of this matter without invoking any rights to a hearing before the Securities Division, and admits to the Findings of Fact and Conclusions of Law set forth below.

The Securities Administrator finds as follows:

FINDINGS OF FACT

I. Respondents

1. At all times material to this action, Seven Chausse ("Chausse") was a salesperson for General Marketing Associates, Inc. ("GMA"), a Florida for-profit corporation. GMA was an independent sales office for issuers of securities, and was engaged in the business of locating, and then offering and/or selling those investors, securities for consideration.

1 II. Nature of the Violations

2 2. Starting on or about March 1, 2001 and continuing until on or about May 10, 2001, GMA sent or caused
3 to be sent unsolicited e-mail messages to residents of Washington State. The messages were sent on behalf of
4 two securities issuers, Cash Today USA, Inc. ("Cash") and Payday Today USA.com, Inc. ("Payday"). Cash
5 and Payday are payday loan companies engaged in business in Florida.

6 3. The e-mail messages stated that, for a \$10,000 minimum investment, investors could make 42% annually
7 or 3.5% monthly by investing in "fully secured accounts receivable acquisitions." Washington citizens
8 who responded to the e-mail provided contact information that was provided to GMA salespeople.

9 4. On or about March 30, 2001, Respondent Chausse telephoned a Washington resident on behalf of GMA.
10 Chausse asked if the resident had ever heard of factoring, and went on to describe an opportunity to invest in
11 accounts receivable. Chausse told the resident that investor funds would be placed in a secured and
12 guaranteed account, and used only to make payday loans. Chausse then told the resident that during the time
13 period the issuer had the use of the investor's money, the investor would receive a 3.5% monthly fee, for a
14 42% annual return. Chausse also stated that because a major check guarantee company had guaranteed the
15 accounts receivable, the issuer was guaranteeing the 42% annual returns, and that there was no risk attached
16 to the investment. Chausse went on to state that the investor could liquidate at any time by giving 90 days
17 written notice. The resident asked Chausse to send written information regarding the investment.

18 5. On or about April 9, 2001, Chausse sent the resident an e-mail that included as attachments information
19 about the Payday offering and an "Accounts Receivable Purchase Agreement." On or about April 11, 2001,
20 Chausse telephoned the resident to ask if he would invest in the account receivable contracts. The resident
21 indicated that he had reviewed the material and was interested in investing, but wanted further information
22 about the investment and about GMA. Chausse stated he would forward such information to the resident.

1 On April 16, 2001, the resident received an Airborne Express package containing further information about
2 the Payday offering and a return Airborne Express air bill addressed and billable to Payday.

3 6. On April 19, 2001, the President of GMA, Alan Davis, sent an e-mail to the resident that described the
4 relationship between GMA and the issuers. In the e-mail, Davis told the resident that GMA was an
5 independent sales office for Cash and Payday; that GMA's function was to find and convert investors into
6 factors; and that GMA received a brokerage fee for all investments in Cash or Payday arranged for by GMA.

7 7. On April 25, 2001, GMA sent an e-mail to the resident providing a hyperlink to information about the
8 Cash offering. The Internet information about the Cash offering was identical to the written information
9 GMA provided about Payday; only the name of the firm issuing the contracts had been changed.

10 8. The Cash and Payday account receivable contracts are not currently registered in the State of Washington,
11 have not previously been so registered, and no claim of exemption for said securities is on file.

12 9. Respondent Steven Chausse is not currently registered to offer or sell securities in the State of
13 Washington, and has not previously been so registered.

14
15 Based upon the above Findings of Fact, the following Conclusions of Law are made:

16 III. Conclusions of Law

17 1. The offer and/or sale of accounts receivable contracts by Respondent Chausse constitutes the offer and/or
18 sale of a security as defined in RCW 21.20.005(10) and (12).

19 2. Respondent has violated RCW 21.20.040 by offering and/or selling said securities while not registered as
20 a broker/dealer and/or salesperson in the State of Washington.

21 3. Respondent has violated RCW 21.20.010 in connection with the offer and/or sale of said securities
22 because the representations made regarding the guaranteed return, the absence of risk, and the liquidity of the
23 investment were made with no reasonable basis in fact.

1 CONSENT ORDER

2 The Securities Division and Respondent Steven Chausse have agreed upon a basis for the resolution of
3 the matters alleged above. Respondent Chausse agrees to the entry of this Consent Order pursuant to the
4 Securities Act of Washington and acknowledges the Securities Division's jurisdiction in this matter and
5 authority to enter this Consent Order.

6 Based on the foregoing IT IS AGREED AND ORDERED that Respondent Steven Chausse shall cease
7 and desist from offering and/or selling securities in violation of RCW 21.20.040, the broker/dealer and
8 salesperson registration section of the Securities Act of Washington.

9 It is further AGREED AND ORDERED that Respondent shall cease and desist from violation of RCW
10 21.20.010, the anti-fraud section of the Securities Act of Washington.

11 It is further AGREED that in consideration of the foregoing, the State of Washington, Department of
12 Financial Institutions, vacates Summary Order SDO 044-01 as to Respondent Chausse, who waives his
13 right to a hearing on this matter and to judicial review of this Order under RCW 21.20.440.

14 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

15 SIGNED this 15 day of June, 2002.

16 _____ss_____
17 Steven Chausse

18 ENTERED this 8th day of July 2002.

19 

20 Deborah R. Bortner
21 Securities Administrator

22 Approved by:

Presented by:

23 _____ss_____
24 Michael E. Stevenson
Chief of Enforcement

_____ss_____
Anthony W. Carter
Securities Examiner