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**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:

Golden Ag of Whitman, Inc.; Whitman County
Straw, LLC

Respondents

SDO - 55 -01

Consent Order

Case No. 98-09-0298

Golden Ag of Whitman, Inc. and
Whitman County Straw, LLC

THE STATE OF WASHINGTON TO:

The Securities Division, Department of Financial Institutions, State of Washington, and Respondents, Golden Ag of Whitman, Inc. and Whitman County Straw, LLC, (Respondents) do hereby agree to this Consent Order in settlement of the matters alleged herein. Respondents neither admit nor deny the Tentative Findings of Fact and Conclusions of Law as set forth below.

TENTATIVE FINDINGS OF FACT

I.

- 1.1 Jon Banks is the president and a director of Golden Ag of Whitman County, Inc.
- 1.2 Dan Madden is the vice president and a director of Golden Ag of Whitman County, Inc.
- 1.3 Gary Young is the secretary-treasurer and a director of Golden Ag of Whitman County, Inc.
- 1.4 Golden Ag of Whitman County, Inc. is a Washington State corporation whose business address is 11051 Endicott Road, Endicott WA 99125-8708.

1 1.5 Whitman County Straw, LLC is a Washington limited liability company whose business address is
2 109 East Wall, Colfax WA 99111..

3 1.6 Donna Banks and Gary Young are founders and promoters of Whitman County Straw, LLC.

4 1.7 Gary Young is a founder, promoter and the manager of Whitman County Straw, LLC.

5
6 II.

7 From approximately April 1998 to November 1999, Jon Banks; Dan Madden; Gary Young
8 Golden Ag of Whitman, Inc. and Whitman County Straw, LLC, acting in concert and on behalf of one
9 another, caused to offered and sold Golden Ag of Whitman, Inc. stock and limited liability company
10 interests in Whitman County Straw, LLC. The purpose of the offerings was to raise money for a straw
11 building product manufacturing venture. Respondents raised \$109,750 from 38 investors.

12
13 III.

14 In connection with the offer and sale of the Golden Ag of Whitman, Inc. stock and Whitman County
15 Straw, LLC interests, Respondents failed to adequately disclose to investors the following material
16 information: (1) the specific potential risks of the investment; and (2) the financial condition of the
17 Respondents, including the failure to provide current financial statements.

18
19 IV.

20 Golden Ag of Whitman, Inc. and Whitman County Straw, LLC are not currently registered to sell
21 their stock offering and limited liability company interests in the state of Washington, have not previously
22 been so registered.

23 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 stock and limited liability company interests by Golden Ag of Whitman, Inc. and Whitman County Straw, LLC as described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12), to wit: stock, an investment contract and risk capital.

II.

The offer and/or sale of said securities was made in violation of RCW 21.20.010, the anti-fraud provisions of the Securities Act because Respondents failed to disclose to investors material facts as set forth above in Paragraphs I through III of the Tentative Findings of Fact.

III.

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

ORDER AND CONSENT

Based on the foregoing,

IT IS HEREBY AGREED AND ORDERED That Respondents, Golden Ag of Whitman, Inc. and Whitman County Straw, LLC shall each henceforth cease and desist from offering and/or selling

GOLDEN AG CONSENT ORDER

1 securities in any manner in violation of RCW 21.20.010, the anti-fraud provisions and RCW
2 21.20.140, the registration provisions of the Securities Act of Washington.

3 It is AGREED that Respondents, Golden Ag of Whitman, Inc. and Whitman County Straw, LLC
4 shall reimburse the Securities Division \$500 for its costs of the investigation.

5 It is AGREED that Respondents, Golden Ag of Whitman, Inc. and Whitman County Straw, LLC
6 shall refund to all purchasers the proceeds of the offering plus interest accrued in the escrow account for
7 the proceeds.

8 It is AGREED that Respondents, Golden Ag of Whitman, Inc. and Whitman County Straw, LLC
9 shall provide the Securities Division with thirty advance written notice of any future securities offerings
10 and agree to waive the automatic effectiveness provisions for any filings to be made with the Securities
11 Division for a period of thirty days.

12 IT IS AGREED that Respondents, Golden Ag of Whitman, Inc. and Whitman County Straw, LLC
13 each waives their right to a hearing in this matter.
14

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17 IT IS AGREED that the Securities Division has jurisdiction to enter this order.
18

19 Dated this _____ day of _____, 2001. Dated this _____ day of _____, 2001.
20

21
22 _____
23 Golden Ag of Whitman County, Inc.

22 _____
23 Whitman County Straw, LLC

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25 GOLDEN AG CONSENT ORDER

1 By: _____

By _____

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6 **THIS ORDER ENTERED THIS _____ DAY OF _____, 2001 BY:**

7
8 _____
9 DEBORAH BORTNER
Securities Administrator

10 Approved for Entry by:

Presented by:

11
12 _____
13 MICHAEL STEVENSON
Chief of Compliance

14 _____
15 MARTIN CORDELL
16 Securities Examiner

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