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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:

ZEOTECH MINING, INC; CLIFFORD K. WOOD;  
their agents and employees,

Respondents.

SDO - 66 - 01

SUMMARY ORDER TO CEASE AND DESIST

Case No. 01-08-305

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THE STATE OF WASHINGTON TO: Clifford K. Wood  
50 S. Fir St.  
P.O. Box 1152  
Soap Lake, WA 98851

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**STATEMENT OF CHARGES**

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Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Zeotech Mining, Inc. and Clifford K. Wood, have 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:

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**TENTATIVE FINDINGS OF FACT**

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**I. Respondents**

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1. **ZEOTECH MINING, INC.** ("Zeotech") is a Washington corporation with a place of business at 50 S. Fir St., Soap Lake, Washington. Zeotech was formed for the purported purpose of mining and processing minerals from a 4000 acre site located 30 miles from George, Washington.

2. **CLIFFORD K. WOOD** ("Wood") is the President of Zeotech.

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**II. Nature of offering**

3. Up until August of 2001, Respondents Zeotech Mining, Inc. and Clifford K. Wood maintained a website on the World Wide Web, located at [www.strayonline.com/zeotech/](http://www.strayonline.com/zeotech/). This website provided information on “investment opportunities” with Zeotech.

4. According to information contained on the website, Zeotech seeks to raise between \$500,000 to \$1,000,000. Zeotech represented that it plans to mine and sell bentonites, diatomaceous earth and zeolites from deposits in Grant County, Washington.

5. The website contained information concerning Zeotech’s investment opportunity, including but not limited to, a document entitled “INVESTOR AGREEMENT.” According the agreement, an investor is to receive a percentage of the common stock of the company in exchange for his or her investment. The agreement also stated that an investor will have no say in the management of the company’s affairs. The website also contained information on how to contact Zeotech, including telephone and fax numbers, an e-mail address, and a mailing address.

6. The website did not include a disclosure document containing complete material information about the investment opportunity described above, including but not limited to: financial statements of Zeotech Mining, Inc.; the risk factors associated with the investment; and the use of the proceeds from the offering.

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**III. Registration Status**

The offer and sale of the investments described in section II are not currently registered in the State of Washington and have not previously been so registered.

Zeotech Mining, Inc. and Clifford K. Wood 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. Securities**

The offer and/or sale of interests in Zeotech Mining, Inc. as described above constitutes the offer and sale of a security as defined in RCW 21.20.005(10) and (12), to wit: an investment contract or risk capital.

**II. Anti-Fraud Provisions**

The offer and/or sale of said securities were made in violation of RCW 21.20.010 because, as set forth in Section II of the Tentative Findings of Fact, Respondents either made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

**III. Registration of Securities**

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

**IV. Registration of Broker-Dealers and Salespersons**

Respondents have 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.

**V. Emergency**

The Securities Administrator finds that an emergency exists and that the continued violations of RCW 21.20.010, RCW 21.20.140, and RCW 21.20.040, constitute a threat to the investing public. Accordingly, a Summary Order to Cease and Desist from those violations is in the public interest and necessary for the protection of the investing public.

**SUMMARY ORDER**

Based upon the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Zeotech Mining, Inc. and Clifford K. Wood, and their agents and employees each cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act.

1 It is further SUMMARILY ORDERED that Zeotech Mining, Inc. and Clifford K. Wood, and their agents and  
2 employees each cease and desist from violating RCW 21.20.140 by offering and/or selling unregistered securities.

3 It is further SUMMARILY ORDERED that Zeotech Mining, Inc. and Clifford K. Wood, and their agents and  
4 employees each cease and desist from violating RCW 21.20.040 by acting as a securities broker-dealer or securities  
5 salesperson without being so registered.

6 **AUTHORITY AND PROCEDURE**

7 This Order is entered pursuant to the provisions of RCW 21.20.390, and is subject to the provisions of  
8 Chapter 34.05 RCW. Each of the Respondents may make a written request for a hearing as set forth in the  
9 NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order.

10 If a Respondent does not request a hearing, the Securities Administrator intends to adopt the above  
11 Tentative Findings of Fact and Conclusions of Law as final and make the Summary Order to Cease and Desist  
12 permanent as to that Respondent.

13 **CONTINUING INVESTIGATION**

14 The Securities Division is continuing to investigate the practices of Respondents to determine the full extent of  
15 the violations of the Securities Act that have occurred in this matter.

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

17 DATED this 23rd day of August 2001.

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23 DEBORAH R. BORTNER  
24 Securities Administrator

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Approved by:

Presented by:

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Michael E. Stevenson  
Chief of Enforcement

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Chad Standifer  
Staff Attorney