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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 the State
of Washington by:

Lennox Investment Group, Ltd.; Randall W. Law;
James Wardell; Standard Capital Group; Monica Iles;
Respondents

SDO -08 - 01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER
CEASE AND DESIST AS TO RANDALL W.
LAW, LENNOX INVESTMENT GROUP, LTD.;
STANDARD CAPITAL GROUP; AND MONICA
ILES

Case No. 97-04-210

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THE STATE OF WASHINGTON TO: Randall W. Law, individually and as President of
Lennox Investment Group, Ltd.
1232 Kemper Rd. Ste 296
Cincinnati, OH 45240

Monica Iles, individually and as President of
Standard Capital Group
740 Northland Rd Ste F
Cincinnati, OH 45240

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On May 18, 2000, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intention to Enter Order To Cease and Desist SDO-51-00, hereinafter referred to as Statement of Charges to Randall W. Law, Lennox Investment Group, Ltd.; James Wardell; Standard Capital Group; and Monica Iles.

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The Statement of Charges, SDO-51-00, together with a Notice of Opportunity to Defend and Opportunity for Hearing (, hereinafter referred to as "Notice of Opportunity for Hearing") and an Application for Adjudicative Hearing (, hereinafter referred to as "Application for Hearing") thereon, were served by certified mail on Randall W. Law and Lennox Investment Group, Ltd. and on Standard Capital Group and Monica Iles on May 22, 2000. The Notice of

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

1 Opportunity for Hearing advised each respondent that that respondent had twenty days from the date the respondent
2 received the notice to file a written application for an administrative hearing on the Statement of Charges.

3 Randall W. Law, Lennox Investment Group, Inc.; Standard Capital Group; and Monica Iles each failed to request
4 an administrative hearing within twenty days of receipt of the Statement of Charges and Notice of Opportunity for
5 Hearing, either on the Application for hearing provided or otherwise.

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

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

9 FINDINGS OF FACT

10 I.

11 Lennox Investment Group, Ltd. is a business entity with places of business at 1232 W. Kemper Road, Suite 296,
12 Cincinnati, Ohio 45240 and 1618 Oak Creek Lane, Suite C, Bedford, Texas 76022.

13 II.

14 Standard Capital Group is a business entity with its principal place of business at 740 Northland Road, Suite F,
15 Cincinnati, Ohio 45240.

16 III.

17 Randall W. Law is president of Lennox Investment Group, Ltd. and James F. Wardell is its chairman and
18 administrator.

19 IV.

20 Monica M. Iles is president of Standard Capital Group.

21 V.

22 In May or June of 1996, Monica Iles of Standard Capital Group solicited a Washington resident a high yield
23 investment program of which Lennox Investment Group, Ltd. was the program administrator and manager. She

1 represented that program participants would receive an amount equal to 122.5% of their investments in each of forty
2 weekly payments during the 54 week term of the contract. Program participants were to be protected in the event of
3 default because an amount equal to their investment was to be kept in an escrow account at a bank in Illinois. These
4 payments were to come from "leasing" the investors' funds to third parties. The program documents use terms and
5 concepts typically used in fraudulent "prime bank" or "roll" programs and not used in legitimate banking
6 transactions. These programs were the subject of a June 11, 1996 Investment Scheme Advisory issued by the
7 Board of Governors of the Federal Reserve System warning the public about these illegal schemes.

8 In accordance with instructions from Ms. Iles, the Washington resident, acting as trustee of a trust set up to benefit an
9 elderly Washington man, wired to the Illinois bank \$300,000 on behalf of the trust. James F. Wardell acknowledged the
10 deposit on behalf of Lennox Investment Group, Ltd., sending the trustee a letter and three contracts to sign. Wardell
11 signed the lease agreement and returned a copy to the trustee. The trustee received a series of faxed communications from
12 Iles and from Randall Law explaining delays in payment under the program. Based on this information in these
13 communications, the trustee signed a series of amendments to the lease agreement, extending the termination date for the
14 agreement. In November 1996, Randall Law, as president of Lennox Investment Group, Ltd., signed a conditional
15 assignment, which purported to assign to the trustee a portion of the cash in the escrow account equal to the trust's
16 investment in the program. The communications from Iles and Law to the trustee and other program participants
17 continued at least through October 1997. These communications said that the program was still going forward and that
18 the participants would be receiving their promised return. However, the trustee never received the return of any of the
19 funds invested on behalf of the trust. By at least January 1998, escrow account at the Illinois bank had been closed.

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21 VI.

22 Lennox Investment Group, Ltd. is not currently registered to sell its securities in the state of Washington and has
23 not previously been so registered.

24 ENTRY OF FINDINGS OF FACT AND
25 CONCLUSIONS OF LAW AND FINAL
26 ORDER CEASE AND DESIST

VII.

Standard Capital Group is not currently registered as a broker-dealer in the state of Washington and has not previously been so registered.

VIII.

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

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

CONCLUSIONS OF LAW

I.

The offer and/or sale of interests in the Lennox Investment Group, Ltd investment program described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12).

II.

The offer and/or sale of said securities is in violation of RCW 21.20.140 because no registration or notification of claim of exemption for such offer and/or sale is on file with the Administrator of Securities, state of Washington and it appears that the respondent does not otherwise qualify for an exemption from registration.

III.

Monica Iles and Standard Capital Group have each 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.

IV.

The offer and/or sale of said securities was made in violation of RCW 21.20.010 because the representations made in connection with the sale of the program were misleading.

1 Based upon the above Findings of Fact and Conclusions of Law it is hereby

2 ORDERED that the respondents Randall W. Law, Lennox Investment Group, Inc.; Standard Capital Group;
3 and Monica Iles, their agents, and employees each cease and desist from offering and/or selling securities in any
4 manner in violation of RCW 21.20.140, the section of the Securities Act of Washington requiring registration.

5 It is further ORDERED that respondents Randall W. Law, Lennox Investment Group, Inc.; Standard Capital
6 Group; and Monica Iles, their agents, and employees each cease and desist from violation of RCW 21.20.010,
7 the anti-fraud section of the Securities Act.

8 It is further ORDERED that respondents Standard Capital Group and Monica Iles each cease and desist
9 from violation of RCW 21.20.040, the section of the Securities Act making it unlawful to act as an unregistered
10 broker-dealer or salesperson.

11 This Order is entered pursuant to RCW 21.20.390 and is subject to the provisions of ch. 34.05 RCW.

12 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

13 DATED this 2nd day of February, 2001.

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16 DEBORAH R. BORTNER
17 Securities Administrator

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19 Approved By:

Presented by:

20 _____
21 Michael E. Stevenson
22 Chief of Compliance

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21 Suzanne E. Sarason
22 Senior Enforcement Attorney

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