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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:

OULD INVESTMENT GROUP, INC., MICHELE
OULD, and MICHAEL SMITH,

Respondents.

SDO - 082- 01

SUMMARY ORDER TO CEASE AND DESIST
AND NOTICE OF INTENT TO IMPOSE FINES

Case No. 01 - 08 - 324

THE STATE OF
WASHINGTON TO:

Ould Investment Group, Inc.
Michele Ould, President
6919 Spider Lily Lane
Lantana, Florida 33462

Michael Smith
Ould Investment Group, Inc.
6919 Spider Lily Lane
Lantana, Florida 33462

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STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Ould Investment Group, Inc., Michele Ould, and Michael Smith have each violated the Securities Act of Washington and that their violations justify the entry of an order against each by the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the 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. Ould Investment Group, Inc. ("Ould IGI") is a Florida for-profit corporation authorized to do business June 5, 2001. Ould IGI is an independent sales office for issuers of securities, charging the issuer to offer and sell securities to potential investors. Ould IGI's principal place of business is located at 6919 Spider

SUMMARY ORDER TO CEASE AND DESIST
AND NOTICE OF INTENT TO IMPOSE FINES

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

1 Lily Lane, Lantana, Florida. Ould IGI is not registered as a foreign corporation authorized to do business
2 in Washington.

3 2. Michele Ould ("Ould") is the President and sole officer of Ould IGI.

4 3. Michael Smith ("Smith") is a commissioned salesperson working for Ould IGI.

5 II. NATURE OF THE VIOLATIONS

6 4. Beginning in early 2001, Respondents sent, or caused to be sent, unsolicited e-mail messages to
7 Washington residents on behalf of their client, Republic Cash Advance, Inc. ("RCA"). RCA is engaged in the
8 check cashing and payday loan business in Florida. The e-mail solicitations sought investors for RCA's check
9 cashing businesses, described the investments as involving "fully secured accounts receivable acquisitions,"
10 and promised guaranteed returns ranging from 20% to 40% annually. Recipients of the e-mail solicitations
11 were instructed to complete and return via e-mail an attached electronic form providing their name, physical
12 address, telephone number, and e-mail address. On or about July 15, 2001, a Washington resident (the
13 "resident") responded to such a solicitation.

14 5. On or about July 26, 2001, the resident received a call from a salesperson with Ould IGI. The caller,
15 Respondent Smith, stated he was responding to the resident's e-mail, and was offering an investment in
16 account receivable acquisition contracts issued by RCA. Smith said that RCA was offering a guaranteed 20%
17 annual return on the contracts. Smith stated that RCA, a Nevada corporation, was a leader in the check
18 cashing industry in Florida, was planning on opening 50 new stores by 2002, and was offering investors a
19 fixed 20% annual return. Smith said that all investor funds were fully secured, as the funds would be
20 deposited in a FDIC insured trust account and only used to fund loans to qualified borrowers. While RCA
21 had use of investor funds the firm would make quarterly interest payments to investors. Smith compared the
22 investments to certificates of deposit in terms of security.
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1 6. Smith said that the contracts ran for a term of 90 days, and that the resident could either opt out or renew
2 the contract at the end of the term. Smith said that the check cashing industry was recession proof, and that
3 even in an economic slide the resident would continue to receive quarterly payments from his investment. He
4 said RCA was raising \$1,000,000 pursuant to a private placement, and that he would send the offering
5 documents to the resident. The resident never received the offering documents.

6 7. On August 12, 1999, the Pennsylvania Securities Commission issued a Summary Order to Cease and
7 Desist against Respondent Michael Smith, Republic Cash Advance, Inc., and its President, Curtis J. Billups.
8 The Order sought to halt the offer and sale in Pennsylvania of unregistered securities by unregistered broker-
9 dealers and agents. On December 18, 2000, the Illinois Securities Department issued a Temporary Order of
10 Prohibition against Republic Cash Advance, Inc. and their officers, directors, employees, agents, affiliates,
11 successors, and assigns. The Temporary Order prohibited the named respondents from offering or selling
12 unregistered securities in Illinois. Respondent Smith failed to disclose the existence of the Pennsylvania and
13 Illinois orders to the resident.

14 8. Respondents Ould Investment Group, Inc., Michele Ould, and Michael Smith are not currently registered
15 to offer or sell securities in the State of Washington, have not previously been so registered, and no claim of
16 exemption for such offers or sales is on file with the Division.

17 9. The account receivable contracts issued by RCA and offered and sold by Respondents are not currently
18 registered in the State of Washington, have not previously been so registered, and no claim of exemption for
19 said securities or transactions is on file with the Division.

20 10. The Securities Administrator finds that the continued offering of account receivable contracts in the
21 manner described above, and Respondents' continued operation as unregistered broker/dealers and/or
22 salespersons, presents a threat to the investing public.
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Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

1. The offer and/or sale of account receivable contracts by Respondents constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12).
2. Respondents have each violated RCW 21.20.140 by offering and/or selling said securities while no registration or notification of claim of exemption for said securities was or is on file with the Division.
3. Respondents have each violated RCW 21.20.040 by offering and/or selling said securities while not registered as broker/dealers or securities salespersons in the State of Washington.
4. Respondents have each violated RCW 21.20.010 in connection with the offer and/or sale of said securities because the representations made to potential investors regarding the promised return, security, and liquidity of the investment, and projections of future sales growth, were made with no reasonable basis in fact. Respondents also omitted material facts in their solicitation that made the statements made in that solicitation misleading. Additionally, the acts, practices, and course of business conduct engaged in by Respondents served to operate as a fraud or deceit upon investors.

EMERGENCY

Based upon the foregoing, the Securities Administrator finds that an emergency exists, and that Respondents' continued violations of RCW 21.20.140, RCW 21.20.040, and RCW 21.20.010 constitutes a threat to the investing public. The Securities Administrator finds that 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 on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Respondents Ould Investment Group, Inc., Michele Ould, and Michael Smith, their partners, officers,

1 directors, employees, affiliates, subsidiaries, predecessors, and successors, and any person acting on their
2 behalf with express, implied, or apparent authority to do so, shall each cease and desist from violation of
3 RCW 21.20.140, the securities registration section of the Securities Act of Washington.

4 It is further SUMMARILY ORDERED that Respondents, their partners, officers, directors, employees,
5 affiliates, subsidiaries, predecessors, and successors, and any person acting on their behalf with express,
6 implied, or apparent authority to do so, shall each cease and desist from violation of RCW 21.20.040, the
7 broker-dealer and salesperson registration section of the Securities Act of Washington.

8 It is further SUMMARILY ORDERED that Respondents, their partners, officers, directors, employees,
9 affiliates, subsidiaries, predecessors, and successors, and any person acting on their behalf with express,
10 implied, or apparent authority to do so, shall each cease and desist from violation of RCW 21.20.010, the
11 anti-fraud section of the Securities Act of Washington.

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14 **NOTICE OF INTENT TO IMPOSE FINES**

15 Based upon the offer to a Washington resident of unregistered securities, by unregistered broker-dealers
16 and/or salespeople, the misrepresentations and omissions contained in that offer, and upon the above
17 Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that Respondents have
18 committed two or more knowing or reckless violations of the Securities Act such that the imposition of fines
19 is required pursuant to RCW 21.20.395. Therefore, the Securities Administrator intends to order that
20 Respondents shall be jointly and severally liable for and pay a fine in the amount of \$5,000 per violation, for a
21 total of \$10,000.

AUTHORITY AND PROCEDURE

This Order is entered pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395, and is subject to the provisions of Chapter 34.05 RCW. Respondents may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order. If any Respondent does not request a hearing, as to that Respondent, the Securities Administrator intends to adopt the above Tentative Findings of Fact, Conclusions of Law, and Summary Order as final and impose the fines sought.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

ENTERED this 17th day of October, 2001.



Deborah R. Bortner
Securities Administrator

Approved by:

Presented by:

Michael E. Stevenson
Chief of Enforcement

Anthony W. Carter
Securities Examiner