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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:

CASHIER INC., d/b/a CAN-STOP, LTD.;
TOM GRAVES; CORPORATE FUNDING
GROUP, INC.; VICTOR KIVISELS; and
DONNIE CRECELIUS,

Respondents.

SDO - 091 - 01

SUMMARY ORDER TO CEASE AND DESIST,
REVOKING EXEMPTIONS, AND NOTICE OF
INTENT TO IMPOSE FINES AND ORDER
AFFIRMATIVE RELIEF

Case No. 01 - 10 - 418

THE STATE OF WASHINGTON TO:

Cashier Inc., d/b/a Can-Stop, Ltd.
Tom Graves
Corporate Funding Group, Inc.
Victor Kivisels
Donnie Crecelius

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Cashier Inc., d/b/a Can-Stop, Ltd., Tom Graves, Corporate Funding Group, Inc., Victor Kivisels, and Donnie Crecelius 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, and RCW 21.20.325 withdrawing the availability of exemptions under RCW 21.20.320. 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:

SUMMARY ORDER TO CEASE AND DESIST,
REVOKING EXEMPTIONS, AND NOTICE OF
INTENT TO IMPOSE FINES AND ORDER
AFFIRMATIVE RELIEF

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
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TENTATIVE FINDINGS OF FACT

I. RESPONDENTS

1. Cashier Inc. ("Cashier") is an active for-profit Ontario, Canada corporation authorized to do business in Canada on January 31, 2000. Cashier does business as Can-Stop, Ltd., and is engaged in business as a check cashing business offering payday advance loans to borrowers. Cashier's primary place of business is located at 199 Front Street, Suite 100, Belleville, Ontario, Canada. Cashier is not registered as a foreign corporation authorized to do business in Washington State.

2. Tom Graves ("Graves") is the President and Chief Executive Officer of Cashier. Graves resides in Belleville, Ontario.

3. Corporate Funding Group, Inc. ("Corporate") is an active for-profit Florida corporation authorized to do business in Florida on March 15, 2001. Corporate is an independent sales office for Cashier, making telephone calls to potential investors offering Cashier's unregistered securities. Corporate's primary place of business is located at 2645 Executive Park Drive, Suite 123, Weston, Florida. Corporate is not registered as a foreign corporation authorized to do business in Washington State.

4. Victor Kivisels ("Kivisels") is the President and Chief Executive Officer of Corporate, and the National Marketing Director for Cashier. Kivisels resides in Weston, Florida.

5. Donnie Crecelius ("Crecelius") is a sales representative for Corporate. His place of residence is unknown.

II. NATURE OF THE VIOLATIONS

6. Beginning on or about June 1, 2001, Respondent Cashier sent, or caused to be sent, unsolicited e-mail messages to Washington residents seeking investors for Respondent Cashier's check cashing business. The e-mail messages stated that, for a \$10,000 minimum investment, investors could make 36% annual returns investing in what Respondent called "fully secured accounts receivable acquisitions." Recipients of the

1 e-mail solicitations were instructed to complete and return via e-mail an attached electronic form providing
2 their name, physical address, telephone number, and e-mail address.

3 7. On or about September 15, 2001, a Washington resident (the "resident") completed and returned the
4 electronic form. On or about October 1, 2001, Crecelius, a salesperson employed by Corporate, called the
5 resident on behalf of Cashier. Crecelius stated that Cashier, the largest payday advance lender in Canada, was
6 raising \$1.1 million dollars to support operations at its 64 Ontario stores.

7 8. Crecelius stated Cashier was offering investors the opportunity to invest in account receivables. He stated
8 that in the United States payday advance stores could only charge up to \$15 per \$100 borrowed, whereas in
9 Canada the law allowed a charge of up to \$30 per \$100. As a result, Cashier collected a 780% annual return,
10 and was offering investors guaranteed annual returns of 36%, paid 3% monthly. He stated that the minimum
11 investment of \$10,000 would be deposited into a trust account, and only used to fund payday loans. The
12 resident would receive monthly checks representing a 3% return on the principal, and that after a term of one
13 year the principal would be returned in full.

14 9. The resident expressed interest and told Crecelius that he had \$100,000 available to invest. Crecelius
15 suggested that the resident speak with Kivisels, the National Marketing Director for Cashier. The resident
16 declined, and asked for written information about Cashier and the company making the offering. Crecelius
17 said that he worked for Corporate Funding in Florida, and that he would fax a package of information to the
18 resident.
19

20 10. On or about October 1, 2001, the resident received a facsimile from Crecelius at Corporate. The
21 facsimile cover sheet included a hand-written note, signed by Crecelius, as follows:

22 This will confirm our conversation today. This is a 36 percent guaranteed 100 percent
23 return on investment. It's only a 1.1 million raise going fast so urgency is needed.

1 11. The offering documents included, among other documents, a letter from Graves, a one-page list of
2 references, six pages of unaudited financial statements from the year 2000, and a six-page "Accounts
3 Receivable Purchase Agreement."

4 12. The offering documents failed to provide audited financial information about Cashier, failed to provide
5 any business histories for Graves or identify any other officers, and failed to disclose any risks associated with
6 the investment. The financial information provided on gross sales and projections of gross sales did not
7 disclose information describing how the gross sales and gross sale projections were calculated.

8 13. The Accounts Receivable Purchase Agreement provided that Cashier would provide investors with
9 suitable checks for the investor to purchase, would repurchase checks in the event of a default, and would
10 take action against borrowers in the investor's name to recover any funds owed.

11 14. The resident had no experience in or knowledge of the payday loan business, factoring, or account
12 collection, and was completely dependent upon Cashier's recommendations in determining whether or not to
13 purchase any check presented. Furthermore, the resident would be dependent upon Cashier for the
14 submission, payment, and collection of all accounts.

15 15. On or about October 3, 2001, the resident received another call from Crecelius. The resident indicated
16 that he was concerned about the representation in the offering documents that only 3% of borrowers' checks
17 were subject to "stop payment" orders. Crecelius stated that Cashier has an agreement with Telecheck to
18 garnish the account of any person who writes a bad check. In addition, Crecelius stated that Cashier requires
19 all borrowers provide six references, copies of phone bills, and pay stubs. Crecelius claimed that because of
20 these efforts there was only a 2% default rate at Cashier's payday advance loan stores.
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22 16. The resident asked about the fact the financial documents provided were not audited. Crecelius stated
23 that Cashier had been raising money all over the United States for the past two months; that even though they
24 were only advertising by e-mail and radio they had almost raised the entire \$1.1 million; and that investors
25

1 were just starting to get their checks. The resident asked again for audited financials; Crecelius said that he
2 asked Deborah Kivisels, Victor Kivisels' wife, and that she said that Cashier did not provide audited
3 financials. Crecelius suggested the resident speak with Nick Martin, identified in the offering documents as
4 Cashier's accountant, about getting audited financial information. The resident did not pursue the issue with
5 either Crecelius or Mr. Martin.

6 17. Crecelius stated that Cashier had opened five new stores in September, and was planning to open more.
7 He asked that the resident send the \$100,000 investment and accounts receivable contract directly to Cashier
8 by Federal Express. The resident declined, and stated that he wanted to investigate Cashier and Corporate
9 further and would wire the money as instructed when he was ready to invest.

10 18. Respondents Cashier, Graves, Corporate, Kivisels, and Crecelius are not currently registered to offer or
11 sell securities in Washington, have not previously been so registered, and no claim of exemption for such
12 offers or sales is on file.

13 19. The account receivable purchase agreements offered by Respondents are not currently registered in
14 Washington, have not previously been so registered, and no claim of exemption for said securities is on file.

15 20. The Securities Administrator finds that the continued offering of account receivable purchase
16 agreements in the manner described above, and the continued availability of exemptions to Respondents,
17 presents a threat to the investing public.
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20 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

21 **CONCLUSIONS OF LAW**

22 1. The offer and/or sale of account receivable purchase agreements by Respondents constitutes the offer
23 and/or sale of securities as defined in RCW 21.20.005(10) and (12).
24

- 1 2. Respondents have each violated RCW 21.20.140 by offering and/or selling said securities while no
2 registration for such offer and/or sale was or is on file with the Division.
- 3 3. Respondents have each violated RCW 21.20.040 by offering and/or selling said securities while not
4 registered as securities salespersons or as broker/dealers in the State of Washington.
- 5 4. Respondents have each violated RCW 21.20.010 in connection with the offer and/or sale of said securities
6 because the representations made regarding the promised return, security, and liquidity of the investment, and
7 projections of future sales growth, were made with no reasonable basis in fact. Respondents also omitted
8 material facts in their offering that made the statements made in those offerings misleading. Additionally, the
9 course of business engaged in by Respondents served to operate as a fraud or deceit upon investors.

10 **EMERGENCY**

11 Based upon the foregoing, the Securities Administrator finds that an emergency exists, that
12 Respondents' continued violations of RCW 21.20.140, RCW 21.20.040, and RCW 21.20.010, and the
13 continued availability of exemptions under RCW 21.20.320, constitutes a threat to the investing public. The
14 Securities Administrator finds that a Summary Order to Cease and Desist from those violations, and the
15 summary withdrawal of the availability of exemptions available under RCW 21.20.320, is in the public
16 interest and necessary for the protection of the investing public.

18 **SUMMARY ORDER**

19 Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that
20 Respondents, Cashier Inc., d/b/a Can-Stop, Ltd., Tom Graves, Corporate Funding Group, Inc., Victor
21 Kivisels, and Donnie Crecelius, their partners, officers, directors, employees, affiliates, subsidiaries,
22 predecessors, and successors, and any person acting on their behalf with express, implied, or apparent
23 authority to do so, shall each cease and desist from offering and/or selling securities in any manner in
24 violation of RCW 21.20.140, the securities registration section of the Securities Act of Washington.

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

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

9 It is further SUMMARILY ORDERED that based upon the foregoing, the exemptions available to
10 Respondents under RCW 21.20.320(1), (9), (11), and (17) are hereby withdrawn.

11 **NOTICE OF INTENT TO IMPOSE FINES**

12 Based upon the offer of unregistered securities to one Washington resident, by unregistered broker-
13 dealers and/or salespersons, the misrepresentations and omissions contained in that offer, and upon the above
14 Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that one or more
15 knowing or reckless violations of the Securities Act have occurred such that the imposition of fines is
16 appropriate pursuant to RCW 21.20.395. Therefore, the Securities Administrator intends to order that
17 Respondents Cashier Inc., d/b/a Can-Stop, Ltd., and Tom Graves shall each be liable for and pay a fine in
18 the amount of \$5,000. Furthermore, the Securities Administrator intends to order that Respondents Corporate
19 Funding Group, Inc., Victor Kivisels, and Donnie Crecelius shall each be liable for and pay a fine in the
20 amount of \$5,000.
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NOTICE OF INTENT TO ORDER AFFIRMATIVE RELIEF

Pursuant to RCW 21.20.390, and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents shall be jointly and severally liable for and shall provide appropriate affirmative relief, including, without limitation, a requirement to provide full restitution to all Washington investors.

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AUTHORITY AND PROCEDURE

This Order is entered pursuant to the provisions of RCW 21.20.390, RCW 21.20.395, and RCW 21.20.325, 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, impose the fines and affirmative relief sought, and permanently revoke the exemptions available under RCW 21.20.320(1), (9), (11), and (17).

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WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

ENTERED this 5th day of November, 2001.



Deborah R. Bortner
Securities Administrator

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Approved by:

Presented by:

Michael E. Stevenson
Chief of Enforcement

Anthony W. Carter
Securities Examiner