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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:

NORTHWEST BEST DIRECT, INC., d/b/a  
SPOKANE'S BEST BOOK, d/b/a BEST BOOK  
PUBLICATIONS, VINCENT E. BOZZI, and  
EMILY G. BOZZI,

Respondents.

SDO - 095 - 01

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

Case No. 01 - 10 - 421

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THE STATE OF WASHINGTON TO:

Northwest Best Direct, Inc.  
Vincent E. Bozzi, President  
4024 E 13th Avenue  
Spokane, WA 99202

Vincent E. Bozzi  
Emily G. Bozzi  
4024 E 13th Avenue  
Spokane, WA 99202

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**STATEMENT OF CHARGES**

15 Please take notice that the Securities Administrator of the State of Washington has reason to  
16 believe that the Respondents, Northwest Best Direct, Inc., d/b/a Spokane Best Book, d/b/a Best Book  
17 Publications, Vincent E. Bozzi, and Emily G. Bozzi, have each violated the Securities Act of Washington  
18 and that their violations justify the entry of an order against each by the Securities Administrator under  
19 RCW 21.20.390 to cease and desist from such violations, and RCW 21.20.325 withdrawing the  
20 availability of exemptions under RCW 21.20.320. The Securities Administrator finds that delay in  
21 ordering the Respondents to cease and desist from such violations would be hazardous to the investors and  
22 to the public, and that a Summary Order to Cease and Desist should be entered immediately. The  
23 Securities Administrator finds as follows:

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**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  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

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## TENTATIVE FINDINGS OF FACT

### I. RESPONDENTS

1. Respondent Northwest Best Direct, Inc. ("NBD") is an active Washington for-profit corporation authorized to do business June 25, 1997. NBD is engaged in the business of publishing coupon books and magazines for public distribution in Spokane County. NBD operates under the registered trade name Spokane Best Book, and under an unregistered trade name of Best Book Publications. NBD maintains its principal place of business at 3016 E. Fifth Avenue, Spokane, Washington.

2. Respondent Vincent E. Bozzi ("Bozzi") is the President and Chief Executive Officer of NBD. Respondent Vincent E. Bozzi is married to Respondent Emily G. Bozzi, and all acts done by him were done on behalf of the marital community.

3. Respondent Emily G. Bozzi is the Secretary and Treasurer of NBD. Respondent Emily G. Bozzi is married to Respondent Vincent E. Bozzi, and all acts done by her were done on behalf of the marital community. The Bozzi's reside in Spokane, Washington.

### II. NATURE OF RESPONDENTS' CONDUCT

1. On or about August 1, 2001, Bozzi placed an advertisement in the August/September 2001 issue of "Northwest Business & Technology" magazine. The advertisement stated, "For a limited time we are selling bonds at 15% interest to bring our magazines to the next level." In the advertisement, Bozzi encouraged people to replace low-interest CDs with his high-interest bonds. The advertisement claimed that the company had significant receivables and described the bonds as a secure investment. The advertisement requested that potential investors call or e-mail Bozzi with questions about the investment.

2. On or about October 12, 2001, a Washington resident ("the resident") contacted Bozzi by e-mail claiming he had \$10,000 to invest and asking for more information about the investment opportunity. On

1 or about October 13, 2001, Bozzi responded by e-mail. In his response, Bozzi claimed that the bond  
2 offering was directed to readers of his magazines, that there was no prospectus available, and that the  
3 bond offering involved an opportunity for his readers to "earn more with us than they do with their low-  
4 yield bonds and CDs." Bozzi claimed that he had placed the advertisement in his magazine because the  
5 firm was looking to expand. He described a pending sale of 49% of the coupon book business, but said  
6 that transaction could be some time in the future. Bozzi offered to pay 15% annual interest on the  
7 resident's \$10,000 investment, and make either interest-only payments plus a balloon at the end of two  
8 years, or amortize the investment and make principal and interest payments for two years. Bozzi offered  
9 to secure the investment with a promissory note "holding our company and myself personally liable."

10 3. On or about October 16, 2001, the resident sent another e-mail to Respondents, indicating that he was  
11 interested in the amortized payment plan, and requesting a copy of the company's business plan. On or  
12 about October 21, 2001, Bozzi responded by e-mail. Bozzi included as an attachment to the e-mail a  
13 copy of a letter sent to prospective investors providing background information about NBD and Bozzi's  
14 plans for the future of the company.

15 4. The attachment, an undated four-page letter addressed to "Dear Friend," describes an investment  
16 opportunity offered by Respondents "Vince and Emily Bozzi" in Best Book Publications. Respondents  
17 offer shares of stock in the business, and claim that money invested with the company could "double or  
18 even triple in just a few short years." Respondents offer a guaranteed buy-back, describe the stock  
19 offering as "very low-risk," and claim that "in the long-term the investment could increase by ten times  
20 or even more." Respondents claim that the time frame for investing is limited, that the company may  
21 close the offering at any time, that the offering would not be made to the general public, and that "[a]fter  
22 the first few investors come aboard we may seal the opportunity, never to open it again."  
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1 5. On or about October 26, 2001, the resident telephoned Respondent Bozzi to inquire about the  
2 information Bozzi had promised to send. Bozzi stated that he had sent the information, that the  
3 investment was going to be in the form of a loan, rather than a bond, and that Bozzi would sign a  
4 promissory note paying 15% annual return for 24 months.

5 6. On or about October 30, 2001, the resident received more offering documents from Respondents.  
6 Included were three issues of "Spokane Home and Life" magazine, a publication of NBD, a copy of the  
7 undated "Dear Friend" letter," and a business card from Respondent Bozzi. The resident called Bozzi  
8 and asked for a copy of the proposed Promissory Note, a list of references, a list of investors, and  
9 financial statements for NBD. Bozzi refused to provide financial statements, but agreed to send the other  
10 items by e-mail. Later that day, Bozzi sent an e-mail to the resident including as attachments a  
11 promissory note and a list of references. Bozzi did not provide the promised list of investors.

12 7. The promissory note, issued in the name of Best Book Publications/Vince Bozzi as Makers, promised  
13 to pay the resident 15% annual interest for 24 months on the resident's \$10,000 loan.

14 8. Respondents' offering documents do not disclose the following information: the risks associated with  
15 the offering; the identity of significant customers, if any; the basis for claims concerning the security of  
16 the investment, projected growth of the firm, or projected future value of the securities; legal  
17 proceedings; descriptions of the various securities offered; financial statements; description of the  
18 specific use of proceeds; or description of how the stock offering price was established.

19 9. Respondents are not currently registered to offer or sell securities in the State of Washington, and  
20 have not previously been so registered.

21 10. The stocks, bonds, and notes offered by Respondents are not currently registered in the State of  
22 Washington, and have not previously been so registered.

11. The Securities Administrator finds that the continued offering of stocks, bonds, and promissory notes by Respondents in the manner described above, and the continued availability of exemptions to Respondents, presents a threat to the investing public.

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 stock, bonds, and promissory notes by Respondents constitutes the offer and/or sale of securities as defined in RCW 21.20.005(10) and (12).
2. Respondents have each violated RCW 21.20.140, the securities registration provision of the Securities Act of Washington, by offering and/or selling said securities while no registration was on file with the Securities Division.
3. Respondents have each violated RCW 21.20.040, the broker-dealer and securities salesperson registration provision of the Securities Act of Washington, 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 regarding the potential return, security, and liquidity of the securities were made with no reasonable basis in fact. Respondents also omitted to state material facts necessary in order to make the statements made in the offering, in light of the circumstances under which they were made, not misleading.

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**EMERGENCY**

Based upon the foregoing, the Securities Administrator finds that an emergency exists, that Respondents' continued violations of RCW 21.20.140, RCW 21.20.040, and RCW 21.20.010, and the continued availability of exemptions under RCW 21.20.320(1), (9), (11), and (17), constitutes a threat to the investing public. The Securities Administrator finds that a Summary Order to Cease and Desist from said violations, and the summary withdrawal of the availability of exemptions available under RCW 21.20.320, is in the public interest and necessary for the protection of the investing public.

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**SUMMARY ORDER**

Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Respondents Northwest Best Direct, Inc., d/b/a Spokane Best Book, d/b/a Best Book Publications, Vincent E. Bozzi, and Emily G. Bozzi, their officers, directors, employees, partners, agents, affiliates, subsidiaries, predecessors, and successors, shall each cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.140, the securities registration provision of the Securities Act of Washington.

It is further SUMMARILY ORDERED that Respondents, their officers, directors, employees, partners, agents, affiliates, subsidiaries, predecessors, and successors, shall each cease and desist from violation of RCW 21.20.040, the broker-dealer and securities salesperson provision of the Securities Act of Washington.

It is further SUMMARILY ORDERED that Respondents, their officers, directors, employees, partners, agents, affiliates, subsidiaries, predecessors, and successors, shall each cease and desist from violation of RCW 21.20.010, the anti-fraud provision of the Securities Act of Washington.

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

3 **NOTICE OF INTENT TO IMPOSE FINES**

4 Based upon the offer and/or sale of unregistered securities to at least one Washington resident, by  
5 unregistered broker-dealers and/or salespersons, the misrepresentations contained in those offers and/or  
6 sales, and upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator  
7 finds that Respondents have committed four or more knowing or reckless violations of the Securities Act  
8 such that the imposition of fines is appropriate pursuant to RCW 21.20.395. Therefore, the Securities  
9 Administrator intends to order that Respondents shall be jointly and severally liable for and pay a fine in the  
10 amount of Five Thousand Dollars (\$5,000) per violation, for a total of Twenty Thousand Dollars (\$20,000).  
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12 **NOTICE OF INTENT TO ORDER AFFIRMATIVE RELIEF**

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

19 This Order is entered pursuant to the provisions of RCW 21.20.390, RCW 21.20.395, and RCW  
20 21.20.325, and is subject to the provisions of Chapter 34.05 RCW. Respondents may each make a  
21 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND  
22 OPPORTUNITY FOR HEARING accompanying this order. If any Respondent does not request a  
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1 hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and  
2 Conclusions of Law as final, impose the fines sought, order the affirmative relief requested, and make the  
3 Summary Order to Cease and Desist permanent as to that Respondent.  
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5 **CONTINUING INVESTIGATION**

6 The Securities Division is continuing to investigate the practices of the Respondents herein to  
7 determine the full extent of the violations of the Securities Act that have occurred in this matter.  
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10 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**  
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12 DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2001.  
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16 Deborah R. Bortner  
17 Securities Administrator  
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19 Approved by:

Presented by:

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21 \_\_\_\_\_  
22 Michael E. Stevenson  
23 Chief of Enforcement  
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21 \_\_\_\_\_  
22 Anthony W. Carter  
23 Securities Examiner  
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