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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:

NOIR-CYGNUS EQUITIES, INC., HAROLD
WOODS, JR., LYNDEN P. BRIDGES, and
RICHARD C. GRAVETT,

Respondents.

SDO - 097- 01

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

Case No. 01 - 11- 437

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THE STATE OF WASHINGTON TO:

Noir-Cygnus Equities, Inc.
Harold Woods, Jr., President
6490 West 44th Avenue
Wheatridge, CO 80033

Noir-Cygnus Equities, Inc.
Lynden P. Bridges, CFO
6490 West 44th Avenue
Wheatridge, CO 80033

Noir-Cygnus Equities, Inc.
Richard C. Gravett, V.P.
6490 West 44th Avenue
Wheatridge, CO 80033

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STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that the Respondents, Noir-Cygnus Equities, Inc., Harold Woods, Jr., Lynden P. Bridges, and Richard C. Gravett, 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 the 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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**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

TENTATIVE FINDINGS OF FACT

I. RESPONDENTS

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3 1. Respondent Noir-Cygnus Equities, Inc. ("NCE") is an active for-profit Colorado corporation
4 authorized to do business September 17, 2001. NCE is a development stage company proposing to
5 engage in the business of acquisition, management, and securitization of sub-prime automobile loan
6 portfolios. NCE maintains its principal place of business at 6490 West 44th Avenue, Wheatridge,
7 Colorado. NCE is not registered as a foreign corporation authorized to do business in Washington.

8 2. Respondent Harold Woods, Jr. ("Woods") is the President and CEO of NCE. Respondent Woods
9 resides in Denver, Colorado.

10 3. Respondent Lynden P. Bridges ("Bridges") is the CFO and Director of Investor Relations for NCE.
11 Respondent Bridges resides in Golden, Colorado.

12 4. Respondent Richard C. Gravett ("Gravett") is a Vice President and Director of NCE. Respondent
13 Gravett resides in Austin, Texas, where he manages a branch office of NCE.

II. NATURE OF RESPONDENTS' CONDUCT

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16 5. On or about October 8, 2001, Respondents issued a press release announcing NCE's "Rule 504D
17 Private Placement Offering." The press release claimed that the offering was being made pursuant to
18 Regulation D, Rule 504, of the Securities Act (of 1934). Respondent Bridges is quoted in the release as
19 stating that NCE "has taken care to provide a fully qualified Offering Memorandum which can only be
20 accessed through the Internet by first sending in a request for a copy of the memorandum to the
21 Company."

22 6. The press release describes a \$700,000 offering of 2.8 million Class "B" shares of common stock
23 at an offering price of \$0.25 per share. The offering is divided into 2,800 "units" of 1,000 shares, with a
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1 minimum investment of \$250 and a maximum of \$1,000. Respondent Woods is quoted in the release as
2 stating that the company intends to increase the shareholder base in order to qualify for trading on the
3 NASDAQ. Woods states that NCE is pursuing a reverse merger with a publicly traded shell company.
4 An active link to NCE's web site, with instructions on how to request the Private Placement Memorandum
5 ("PPM"), was included in the press release.

6 7. On or about November 5, 2001, a Washington resident ("the resident") accessed the NCE Internet
7 website and requested a copy of the PPM by sending an e-mail request to NCE. On or about November 6,
8 2001, the resident received an e-mail response from NCE including, as attachments, the PPM and a
9 subscription agreement. The response instructed the resident to telephone Respondent Bridges if he had
10 any questions concerning the offering.

11 8. The resident had no prior business relationship with NCE, is not an accredited investor, and was
12 able to obtain the "confidential" PPM and subscription agreement without qualification of any type.

13 9. Contrary to representation contained in the press release and PPM, Respondents' PPM states that
14 NCE has no intention of registering its securities within the foreseeable future. The PPM, dated October
15 8, 2001, claims that sales commissions of 8% will be paid to selling agents, and describes the risk of loss
16 as "effectively reduced to single-digit or zero." The PPM fails to disclose the basis for claims concerning
17 the security of the investment, the basis for the assumptions used to support the Pro Forma Financial
18 Statements, and the basis for growth projections. The PPM fails to describe how the stock offering price
19 was established, does not include a section describing legal proceedings, if any, fails to provide five year
20 business histories for Respondents Woods, Bridges, and Gravett, fails to differentiate, in its disclosure
21 concerning Use of Proceeds, between a partial and a full subscription.
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1 10. Respondents are not currently registered to offer or sell securities in the State of Washington, and
2 have not previously been so registered.

3 11. The stocks offered by Respondents are not currently registered in the State of Washington, and
4 have not previously been so registered.

5 12. The Securities Administrator finds that the continued offering of stocks by Respondents in the
6 manner described above, and the continued availability of exemptions to Respondents, presents a threat to
7 the investing public.

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

10 **CONCLUSIONS OF LAW**

11 1. The offer and/or sale of stock by Respondents constitutes the offer and/or sale of securities as
12 defined in RCW 21.20.005(10) and (12).

13 2. Respondents have each violated WAC 46-44A-502(3) and WAC 46-44A-504(3)(b) in connection
14 with their Rule 504 offering by engaging in general solicitation and/or advertising and by paying
15 commissions for the offer and/or sale of said securities.

16 3. Respondents have each violated RCW 21.20.140, the securities registration provision of the
17 Securities Act of Washington, by offering and/or selling said securities while no registration was on file
18 with the Securities Division.

19 4. Respondents have each violated RCW 21.20.040, the broker-dealer and securities salesperson
20 registration provision of the Securities Act of Washington, by offering and/or selling said securities while
21 not registered as broker-dealers or securities salespersons in the state of Washington.
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1 5. Respondents have each violated RCW 21.20.010 in connection with the offer and/or sale of said
2 securities because the representations made regarding the potential security and liquidity of the securities
3 were made with no reasonable basis in fact. Respondents also omitted to state material facts necessary in
4 order to make the statements made in the offering, in light of the circumstances under which they were
5 made, not misleading.

6 **EMERGENCY**

7 Based upon the foregoing, the Securities Administrator finds that an emergency exists, that
8 Respondents' continued violations of RCW 21.20.140, RCW 21.20.040, and RCW 21.20.010, and the
9 continued availability of exemptions under RCW 21.20.320(1), (9), (11), and (17), constitutes a threat to
10 the investing public. The Securities Administrator finds that a Summary Order to Cease and Desist from
11 said violations, and the summary withdrawal of the availability of exemptions available under RCW
12 21.20.320, is in the public interest and necessary for the protection of the investing public.

13 **SUMMARY ORDER**

14 Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that
15 Respondents, Noir-Cygnus Equities, Inc., Harold Woods, Jr., Lynden P. Bridges, and Richard C. Gravett,
16 their officers, directors, employees, partners, agents, affiliates, subsidiaries, predecessors, and successors,
17 shall each cease and desist from offering and/or selling securities in any manner in violation of RCW
18 21.20.140, the securities registration provision of the Securities Act of Washington.

19 It is further SUMMARILY ORDERED that Respondents, their officers, directors, employees,
20 partners, agents, affiliates, subsidiaries, predecessors, and successors, shall each cease and desist from
21 violation of RCW 21.20.040, the broker-dealer and securities salesperson provision of the Securities Act
22 of Washington.
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1 It is further SUMMARILY ORDERED that Respondents, their officers, directors, employees,
2 partners, agents, affiliates, subsidiaries, predecessors, and successors, shall each cease and desist from
3 violation of RCW 21.20.010, the anti-fraud provision of the Securities Act of Washington.

4 It is further SUMMARILY ORDERED that based upon the foregoing, the exemptions available to
5 Respondents under RCW 21.20.320(1), (9), (11), and (17) are hereby withdrawn.
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7 **NOTICE OF INTENT TO IMPOSE FINES**

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

19 Pursuant to RCW 21.20.390, and based upon the above Tentative Findings of Fact and Conclusions of
20 Law, the Securities Administrator intends to order that Respondents shall be jointly and severally liable for
21 and shall provide appropriate affirmative relief, including, without limitation, a requirement to provide full
22 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, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final, impose the fines sought, order the affirmative relief requested, and make the Summary Order to Cease and Desist permanent as to that Respondent.

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CONTINUING INVESTIGATION

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

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

DATED this 20th day of November, 2001.



Deborah R. Bortner
Securities Administrator

Approved by:

Presented by:

Michael E. Stevenson

Anthony W. Carter

Chief of Enforcement

Securities Examiner

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