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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:

SIGNATURE MEDIA SERVICES, INC., GREAT  
LIFE NETWORK, INC., MARK B. BEEKSMA, and  
ERIK R. VAN ALSTINE,

Respondents.

SDO - 53 - 00

CONSENT ORDER TO CEASE AND DESIST,  
REVOKING EXEMPTIONS, IMPOSING FINES,  
ORDERING AFFIRMATIVE RELIEF, AND  
VACATING SUMMARY ORDER SDO 39 - 00

Case No. 99 - 05 - 174

THE STATE OF WASHINGTON TO: SIGNATURE MEDIA SERVICES, INC.,  
GREAT LIFE NETWORK, INC.  
MARK B. BEEKSMA, and  
ERIK R. VAN ALSTINE.

Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division of the Department of Financial Institutions, State of Washington, and Respondents Signature Media Services, Inc., Great Life Network, Inc., Mark B. Beeksma, and Erik Van Alstine, do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondents admit to the Findings of Fact and Conclusions of Law stated below. Respondents wish to obtain final disposition of this matter without invoking any rights to a hearing before the Securities Division.

**FINDINGS OF FACT**

**I. Respondents**

1. Signature Media Services, Inc. (SMS) is an inactive Washington for-profit corporation. SMS did business at 1142 Broadway Plaza, Suite 100, Tacoma, Washington 98402. When active, SMS provided integrated marketing, communications, and personal development services for the direct sales industry, property management industry, and retail consumers. SMS registered and did business under the trade name Incite.

**CONSENT ORDER**

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

1 2. Great Life Network, Inc. (GLN), formerly Incite.com, Inc., is an active Washington for-profit  
2 corporation with its principal place of business at 318 South Seventh Street, Tacoma, Washington 98402. GLN is  
3 primarily an Internet publisher and retailer promoting productive achievement and principle-centered living. GLN has  
4 registered the trade name Incite.com, but does business on the Internet using the domain name  
5 GreatLifeNetwork.com.

6 3. Mark Bradley Beeksma (Beeksma) is currently the President, Secretary, and a Director of GLN, and was  
7 the President, Secretary, and a Director of SMS when it was operating. Respondent Beeksma is married to Diane L.  
8 Beeksma, and all acts done by him were done on behalf of the marital community. The Beeksmas reside at 9102  
9 Lake Steilacoom Point Road SW, Tacoma, and own approximately 36% of SMS and 42% of GLN.

10 4. Erik Robert Van Alstine (Van Alstine) is currently the Chief Executive Officer, Chairman of the Board  
11 of Directors, and a Director of GLN. Van Alstine was the Chief Executive Officer, Chairman of the Board of  
12 Directors, and a Director of SMS when it was operating. Respondent Van Alstine is married to Sandra D. Van  
13 Alstine, and all acts done by him were done on behalf of the marital community. The Van Alstines reside at 16808  
14 132<sup>nd</sup> Avenue East, Puyallup, and own approximately 30% of SMS and 36% of GLN.

15 **II. Signature Media's Unregistered Offers  
16 and Sales of Securities**

17 5. In 1990 Erik and Sandra Van Alstine founded Resident Services, the predecessor to SMS. The company  
18 was a sole proprietorship providing printing services to residential apartment communities. In 1994 Mark and Diane  
19 Beeksma joined the business, and on November 30, 1994, the two couples incorporated the firm as Signature Media  
20 Services, Inc.

21 6. Starting in 1995 SMS offered and sold to company insiders unregistered securities in the form of  
22 stock in SMS. In 1996 SMS initiated an employee stock purchase program offering, issuing, and selling to employees  
23 unregistered securities in the form of shares of stock in SMS. In 1997 SMS made its first offers and sales of stock to  
24 outsiders. Sales were made to both accredited and non-accredited investors inside and outside of Washington State.  
25 From October, 1997 through April, 1998, SMS raised more than \$725,000 from the offer and sale of SMS stock.  
26 Though there was no market for the stock, nor any market-maker involved in the unregistered offering, SMS raised

27 **CONSENT ORDER**

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1 the share price approximately \$.25 cents a share every two weeks. The stock price rose from \$7.75 in August, 1997 to  
2 \$17.00 in October, 1998.

3 7. On or about May 18, 1998, SMS mailed a letter signed by Beeksma to existing and potential investors  
4 advising them that SMS would have to register its stock with the State of Washington, and that sales of stock would  
5 have to stop between June 1 and July 9, 1998. Beeksma indicated that the share price would likely be higher at the  
6 end of the no-sale period, and that SMS would like potential investors to invest before the end of May. In part as a  
7 result of this solicitation, SMS raised more than \$100,000 between May 21 and May 31, 1998.

8 8. During and after the SMS-declared "no sales" period, Beeksma, as President of SMS, sold securities to  
9 investors in the form of promissory notes. The notes were due on demand and carried an interest rate of around 36.50  
10 % annually. SMS raised more than \$100,000 in this manner. Some promissory notes sold during the "no sales" period  
11 were subsequently converted to stock purchases.

12 9. The offer and sale of unregistered SMS securities were accomplished primarily through word of mouth.  
13 However, investor update letters soliciting referrals, promoting the stock, and projecting returns for SMS were  
14 distributed to existing and potential investors. Complete disclosures of the risks associated with the investment were  
15 not provided to any actual or potential investor in the written materials.

16 10. Though the May 18 letter implied that sales could resume after July 9, 1998, the Securities Division did  
17 not receive any registration or application for exemption from SMS to sell securities until August.

### 18 **III. Signature Media's Rescission Offer**

19 11. On August 19, 1998, the Securities Division received an application from SMS to register a rescission  
20 offering. SMS proposed to offer rescission to every purchaser of unregistered shares of SMS stock, hoping to avoid  
21 potential legal liability under RCW 21.20.430(4)(b) for its unregistered offers and sales. The Securities Division  
22 issued a permit for the rescission offering on September 9, 1998, and assigned the file number Q-03700. The permit  
23 was valid from September 9, 1998 to September 9, 1999. SMS was to send the offering circular to all existing  
24 shareholders. No other information could be sent to the shareholders unless it was first submitted to the Securities  
25 Division for review.

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1 12. In addition to sending existing SMS shareholders the offering circular, SMS mailed the shareholders two  
2 letters, one just before, and one just after, mailing the offering circular. The first letter, dated August 24, 1998 and  
3 signed by Beeksma, provided 1998-99 sales projections and predicted profitability in the near future, claiming that  
4 SMS would net \$1 million in 1999. Beeksma also warned the shareholders of the forth coming offering circular,  
5 describing it as a "worst case scenario legal document" that was not an economic recommendation of whether or not  
6 investors should invest in SMS.

7 13. The second letter, dated September 16, 1998 and signed by both Beeksma and Van Alstine, featured  
8 an article about SMS that appeared in the Tacoma News Tribune. The article quotes Van Alstine discussing the  
9 growth rate of the company, claimed to be averaging 30% per quarter since 1994, and predicted growth in sales from  
10 \$4 million to \$12 million in the next year. The letter accompanying the article reminded shareholders of the great  
11 investment opportunity they had had with SMS, and expressed the hope that the article motivated them to stay with  
12 SMS.

13 14. Both letters were used in connection with the sale and promotion of the registered rescission offering.  
14 Neither letter was submitted to the Securities Division for review prior to mailing. Both letters were inconsistent with  
15 the offering circular and failed to disclose any of the risk factors required by the Securities Division and disclosed in  
16 the offering circular.

17 15. On or about September 11, 1998, SMS mailed the rescission offering circular to all of the existing SMS  
18 shareholders, and included a form for shareholders to accept or reject the offer to rescind their stock purchase. If a  
19 shareholder elected to rescind, SMS promised to repay, within 30 days of receipt of the election, the shareholder's  
20 principal plus 8% interest from the date of purchase. The rescission offer was based on, and disclosed, Signature  
21 Media's illegal sale of unregistered stock, the illegal employee stock purchase program, and the illegal failure to  
22 provide disclosure materials to investors. The offering circular included a required audited financial statement that  
23 disclosed approximately \$200,000 in liability for "notes payable," but did not otherwise disclose the company's sale  
24 of the unregistered promissory notes.

25  
26 **CONSENT ORDER**

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1 16. Of the 94 shareholders who received the rescission offering, nine requested return of their investment.  
2 Of the nine, three were employee insiders and six were outsiders. The three employee insiders were paid off, in full,  
3 within a month of the date payment was due them. Of the six outsiders, one was paid off, in full, before her payment  
4 was due. The other five, all outsiders, were not paid until March 2000, more than a year after SMS promised to pay  
5 them.

#### 6 **IV. Signature Media's Rule 505 Offer**

7 17. In November 1998, SMS filed a Form D Notice of Sale of Securities with the Securities Division to sell  
8 stock to investors pursuant to the Securities Act of 1933, Regulation D, Rule 505 and WAC 460-44A-505. The Notice  
9 of Sale was received and became effective on Monday, November 16, 1998, and was assigned the file number E-  
10 23192. SMS was required to file its Rule 505 Notice of Sale of Securities no later than 15 days after the first sale of  
11 securities in the offering. The earliest date on which SMS could legally sell under the Rule 505 offering was therefore  
12 Friday, October 30, 1998. All offers and/or sales of SMS stock and securities made in connection with the Rule 505  
13 offering prior to that date were unregistered.

14 18. Like the offering circular for the rescission offering, the Rule 505 offering circular described Signature  
15 Media's illegal sale of unregistered stock, the illegal employee stock purchase program, and the illegal failure to  
16 provide disclosure materials to investors. The offering circular described the rescission offering, and stated that the  
17 first priority for use of the proceeds from the Rule 505 offering would be to pay the shareholders that requested the  
18 return of their investment under the rescission offering.

19 19. The Rule 505 offering circular is dated October 21, 1998. By that date, SMS had already missed the  
20 deadline for payment to three of the nine SMS shareholders that had accepted the rescission offer. That fact was not  
21 disclosed in the offering circular. The offering circular failed to disclose the potential liability for the letters mailed to  
22 SMS shareholders during the rescission offering. The offering circular discloses approximately \$200,000 in liability  
23 for "notes payable," but did not otherwise disclose the company's sale of unregistered promissory notes.

24 20. The first three outsider-shareholders to accept the rescission offer did so on September 15, 1998. Under  
25 the terms of the offer, they were to be paid on or about October 20, 1998. Though SMS raised more than \$300,000 in

1 the first three months of the offering, they were not paid until March 2000. When they were paid, they were paid  
2 from Beeksmas's personal trust account, not from the proceeds of the Rule 505 offer.

3 21. SMS claimed in a letter from counsel accompanying its Notice of Sale that the first sales under the Rule  
4 505 offering were made October 30, 1998. Sales under the Rule 505 offering actually began in early September.  
5 SMS raised more than \$150,000 in promissory note and stock sales during the "no sales" period. The offering  
6 circular does not disclose the sale of securities more than 15 days before the Rule 505 filing with the Securities  
7 Division.

8 22. Rule 505 provides an exemption from registration for certain limited offerings. Under the terms of the  
9 Rule 505 exemption, SMS could only sell to accredited or "sophisticated" non-accredited investors. A  
10 "sophisticated" non-accredited investor means an investor who "has such knowledge and experience in financial and  
11 business matters that [he or she is] capable of evaluating the merits and risks of the prospective investment, or the  
12 issuer reasonably believes immediately prior to making any sale that such purchaser comes within this description."  
13 SMS made sales under the Rule 505 exemption to non-accredited investors who did not meet the definition of  
14 "sophisticated" investors, and for whom the investment in SMS was entirely unsuitable. Issuers selling to non-  
15 accredited investors under Rule 505 also must provide certain offering materials to the potential investor a reasonable  
16 time before the sale. SMS failed to provide the investor questionnaire and subscription agreement to some non-  
17 accredited investors until after the sale of SMS stock.

18 23. The Rule 505 offering circular disclosed that some of the proceeds of the offering would be used to start  
19 a new division of SMS called Incite. The offering circular stated that Incite was to be a personal development and  
20 educational program designed to inspire and promote greatness in individuals. In describing the new division, the  
21 offering circular claims that "The Company," SMS, initially conceived the idea and had assembled the products and  
22 services to be offered for sale. SMS planned to "launch" Incite in the fourth quarter of 1998, and it was projected to  
23 generate \$11 million in revenue for SMS within the next three years. SMS had registered the trade name Incite with  
24 the Department of Licensing on or about October 28, 1997.

25  
26 **CONSENT ORDER**

27 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
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1 24. On February 3, 1999, Beeksma wrote to a shareholder stating that SMS was relying on new investors to  
2 finance the creation of the new SMS Internet website, Incite.net. On or about Friday, March 5, 1999, Van Alstine  
3 wrote a letter announcing the “initial phase of the Incite website.” On May 21, 1999, Beeksma and Van Alstine  
4 incorporated Incite.com, Inc., as an independent corporation. On June 1, 1999, Incite.com, Inc. filed a trade  
5 name registration with the Department of Licensing for the name Incite.com. On August 5, 1999,  
6 Incite.com, Inc. filed a Certificate of Amendment with the Secretary of State changing its name to Great  
7 Life Network, Inc.

#### 8 **V. Great Life Network’s Rule 506 Offer**

9 25. In September, 1999, GLN filed a Form D Notice of Sale of Securities with the Securities Division to sell  
10 stock to investors pursuant to the Securities Act of 1933, Regulation D, Rule 506 and WAC 460-44A-506. The  
11 Notice of Sale was received and became effective on Monday, September 13, 1999, and was assigned file number  
12 E-24382. GLN was required to file its Rule 506 Notice of Sale of Securities no later than 15 days after the first sale  
13 of securities in the offering. The earliest date on which GLN could legally sell under the Rule 506 offering was  
14 therefore Friday, August 27, 1999.

15 26. GLN’s Rule 506 offering circular claims that Erik Van Alstine guided Signature Media to an average  
16 four-year sales growth of 130% and 1998 sales of \$2.4 million. The offering circular claims that Mark Beeksma  
17 joined Van Alstine at Signature Media, and that together they successfully built Signature Media until leaving it to  
18 form Great Life Network. The offering circular does not disclose that SMS never made a profit, left employees,  
19 creditors, and suppliers unpaid, and never paid the shareholders who accepted rescission under the Rule 505 offering.  
20 The offering circular fails to disclose the prior registered and unregistered offers and sales of securities by SMS,  
21 Beeksma, and Van Alstine, and fails to disclose the potential liability of Van Alstine and Beeksma for those offerings.

22 27. Sales of GLN stock actually began prior to the August 27, 1998 start date. The offering circular does not  
23 disclose the sale of securities more than 15 days before the Rule 506 filing with the Securities Division.

24  
25 Based upon the above Findings of Fact, the following Conclusions of Law are made:

26 **CONSENT ORDER**

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
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360-902-8760

1 **CONCLUSIONS OF LAW**

2 **Offer and Sale of Securities**

3 The offer and/or sale of SMS stock and promissory notes and GLN stock as described above constitutes the  
4 offer and/or sale of a security as defined in RCW 21.20.005(10) and (12).

5 **Violation of RCW 21.20.140**

6 The offer and/or sale of securities by Respondents Signature Media Services, Inc., Great Life Network, Inc.,  
7 Mark B. Beeksma, and Erik R. Van Alstine violated RCW 21.20.140 because the offers and sales were not registered  
8 in Washington.

9 **Violation of RCW21.20.010**

10 Respondents Signature Media Services, Inc., Great Life Network, Inc., Mark B. Beeksma, and Erik  
11 R. Van Alstine have each violated RCW 21.20.010 (2) in connection with the offer and/or sale of securities  
12 by omitting facts necessary in order to make their statements, in light of the circumstances in which they  
13 were made, not misleading. Respondents Signature Media Services, Inc., Mark B. Beeksma, and Erik R.  
14 Van Alstine have each violated RCW 21.20.010 (3) in connection with the offer and/or sale of securities by  
15 failing to pay, in the time period allowed under the rescission permit and specified in the Rule 505 offer,  
16 five of the nine SMS shareholders who accepted rescission.

17 **CONSENT ORDER**

18 The Securities Division and Respondents Signature Media Services, Inc., Great Life Network, Inc,  
19 Mark B. Beeksma, and Erik R. Van Alstine have agreed upon a basis for the resolution of the matters  
20 alleged above. Respondents agree to the entry of this Order pursuant to the Securities Act of Washington  
21 and acknowledge the Securities Division's jurisdiction over this matter and its authority to enter this order.  
22

23 Based on the foregoing, NOW, THEREFORE, IT IS AGREED AND ORDERED that Respondents, their  
24 agents, employees, affiliates, and successors, shall each cease and desist from offering and/or selling securities in  
25 violation of RCW 21.20.140, the registration section of the Securities Act of Washington.

26 **CONSENT ORDER**

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
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1 It is further AGREED AND ORDERED that Respondents, their agents, employees, affiliates, and  
2 successors, shall each cease and desist from violating RCW 21.20.010 of the Securities Act of Washington.

3 It is further AGREED that Respondents shall be jointly and severally liable for and shall pay the Securities  
4 Division the amount of Two Thousand Dollars (\$2,000.00) for reimbursement of its costs of the investigation into this  
5 matter. Said payment is to be made to the Division prior to the entry of this Order.

6 It is further AGREED AND ORDERED that offers and sales of securities under E- 23192 and E-24382 are  
7 hereby revoked.

8 It is further AGREED that in consideration of the foregoing, Respondents each waive their right to  
9 a hearing on this matter and to judicial review of this Order under RCW 21.20.440.

10 **AGREED ORDER CONCERNING FINES**

11 Based on the foregoing Findings of Fact and Conclusions of Law, the Securities Administrator finds that  
12 Respondents Mark B. Beeksma and Erik R. Van Alstine have violated the Securities Act of Washington such that the  
13 imposition of fines under RCW 21.20.395 is required. It is therefore AGREED AND ORDERED that Respondents  
14 Mark B. Beeksma and Erik R. Van Alstine shall be jointly and severally liable for, and shall pay a fine in the amount  
15 of Two Thousand Dollars (\$2,000.00). Said payment is to be made to the Division prior to the entry of this Order.

16 **AGREED ORDER CONCERNING AFFIRMATIVE RELIEF**

17 Based on the foregoing Findings of Fact and Conclusions of Law, the Securities Administrator finds that  
18 affirmative relief under RCW 21.20.390 is required to correct conditions resulting from the practices relating to the  
19 offer and/or sale of unregistered, registered, and/or exempt securities by Respondents. It is therefore AGREED AND  
20 ORDERED that Respondents shall be jointly and severally liable for, and shall provide the following appropriate  
21 affirmative relief:

22 **Notice to Signature Media Services, Inc. Investors**

23 Respondents shall, within thirty (30) days of the entry of this Order, send by certified mail a copy of this  
24 Order to all past and present Signature Media Services, Inc. investors, including but not limited to the shareholders

25  
26 **CONSENT ORDER**

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

1 and promissory note buyers. Respondents shall provide the Securities Division with proof of mailing within sixty  
2 (60) days of the entry of this Order.

3 **Notice to Great Life Network, Inc. Investors**

4 Respondents shall, within thirty (30) days of the entry of this Order, send by certified mail a copy of this  
5 Order to all past and present Great Life Network, Inc. investors. Respondents shall provide the Securities Division  
6 with proof of mailing within sixty (60) days of the entry of this Order.

7 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

8 SIGNED this 31 day of May, 2000.

9  
10 Signed by:

11 Mark Beeksma  
12 Mark Bradley Beeksma, individually and  
13 as President of Signature Media Services, Inc.  
and Great Life Network, Inc.

14 Erik VanAlstine  
15 Erik Robert Van Alstine, individually and  
16 as C.E.O. of Signature Media Services, Inc.  
and Great Life Network, Inc.

Approved as to form by:

11 C.B. Wells  
12 Christopher B. Wells, Esq.  
13 Lane Powell Spears Lubersky  
Attorney for Mark B. Beeksma, Erik Van Alstine,  
and Great Life Network, Inc.

17 ENTERED this 12 day of June, 2000.

18  
19   
20 DEBORAH R. BORTNER  
21 Securities Administrator

22 Approved by:

23 Michael E. Stevenson  
24 Michael E. Stevenson  
25 Chief of Enforcement

Presented by:

23 Anthony W. Carter  
24 Anthony W. Carter  
25 Securities Examiner

26 **CONSENT ORDER**

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
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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:

SIGNATURE MEDIA SERVICES, INC., GREAT  
LIFE NETWORK, INC., d/b/a INCITE.COM, MARK  
B. BEEKSMA, and ERIK R. VAN ALSTINE,  
  
Respondents.

SDO - 39A - 00

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

Case No. 99 - 05 - 174

THE STATE OF WASHINGTON TO: SIGNATURE MEDIA SERVICES, INC.,  
GREAT LIFE NETWORK, INC., d/b/a INCITE.COM,  
MARK B. BEEKSMA, and  
ERIK R. VAN ALSTINE.

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Signature Media Services, Inc., Great Life Network, Inc., d/b/a Incite.com, Mark B. Beeksma, and Erik R. Van Alstine, 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 to Respondents. 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. Signature Media Services, Inc. (SMS) is an inactive Washington for-profit corporation. SMS did business at 1142 Broadway Plaza, Suite 100, Tacoma, Washington 98402. When active, SMS

1 provided integrated marketing, communications, and personal development services for the direct  
2 sales industry, property management industry, and retail consumers. SMS registered and did business  
3 under the trade name Incite.

- 4 2. Great Life Network, Inc. (GLN), formerly Incite.com, Inc., is an active Washington for-profit  
5 corporation with its principal place of business at 711 St. Helens Street, Tacoma, Washington 98402.  
6 GLN is primarily an Internet publisher and retailer promoting productive achievement and principle-  
7 centered living. GLN registered and does business under the trade name Incite.com.
- 8 3. Mark Bradley Beeksma (Beeksma) is currently the President, Secretary, and a Director of GLN, and  
9 was the President, Secretary, and a Director of SMS when it was operating. Respondent Beeksma is  
10 married to Diane L. Beeksma, and all acts done by him were done on behalf of the marital  
11 community. The Beeksmas reside at 9102 Lake Steilacoom Point Road SW, Tacoma, Washington  
12 98498, and own approximately 44% of SMS and 45% of GLN.
- 13 4. Erik Robert Van Alstine (Van Alstine) is currently the Chief Executive Officer, Chairman of the  
14 Board of Directors, and a Director of GLN. Van Alstine was the Chief Executive Officer, Chairman  
15 of the Board of Directors, and a Director of SMS when it was operating. Respondent Van Alstine is  
16 married to Sandra D. Van Alstine, and all acts done by him were done on behalf of the marital  
17 community. The Van Alstines reside at 16808 132<sup>nd</sup> Avenue East, Puyallup, Washington 98374, and  
18 own approximately 44% of SMS and 39% of GLN.

19 **II. Signature Media's Unregistered Offer  
and Sales of Securities**

- 20 5. In 1990 Erik and Sandra Van Alstine founded Resident Services, the predecessor to SMS. The  
21 company was a sole proprietorship providing printing services to residential apartment communities.  
22 In 1994 Mark and Diane Beeksma joined the business, and on November 30, 1994, the two couples  
23 incorporated the firm as Signature Media Services, Inc.
- 24 6. Starting in 1995 SMS offered and/or sold to company insiders unregistered securities in the form of  
25

1 stock in SMS. In 1996 SMS initiated an employee stock purchase program offering, issuing, and  
2 selling to employees unregistered securities in the form of shares of stock in SMS. In 1997 SMS  
3 made its first offers and sales of stock to outsiders. Sales were made to both accredited and non-  
4 accredited investors inside and outside of Washington State. From October, 1997 through April,  
5 1998, SMS raised more than \$725,000 from the offer and sale of SMS stock. Though there was no  
6 market for the stock, nor any market-maker involved in the unregistered offering, SMS routinely  
7 raised the share price approximately \$.25 cents a share every two weeks. The stock price rose from  
8 \$7.75 in August, 1997 to \$17.00 in October, 1998.

- 9 7. On or about May 18, 1998, SMS mailed a letter signed by Beeksma to existing and potential  
10 investors advising them that SMS would have to register its stock with the State of Washington, and  
11 that sales of stock would have to stop between June 1 and July 9, 1998. Beeksma advised that  
12 potential investors would have to invest quickly to avoid the share price increase that would occur  
13 during this “no sales” period. In part as a result of this solicitation, SMS raised more than \$100,000  
14 between May 21 and May 31, 1998.
- 15 8. During and after the SMS-declared “no sales” period, Beeksma, as President of SMS, sold securities  
16 to investors in the form of promissory notes. The notes were due on demand and carried an interest  
17 rate of 36.50 % annually. SMS raised more than \$50,000 in this manner. The promissory notes sold  
18 during the “no sales” period were subsequently converted to stock purchases.
- 19 9. The offer and/or sales of unregistered SMS securities were accomplished primarily through word of  
20 mouth. However, investor update letters soliciting referrals, promoting the stock, and projecting  
21 returns for SMS were distributed to existing and potential investors. No written disclosures were  
22 provided to any actual or potential investor.
- 23 10. Though the May 18 letter implied that sales could resume after July 9, 1998, the Securities Division  
24 did not receive any registration or application for exemption from SMS to sell securities until August.

### III. Signature Media's Rescission Offer

11. On August 19, 1998, the Securities Division received an application from SMS to register a rescission offering. SMS proposed to offer rescission to every purchaser of unregistered shares of SMS stock, hoping to avoid potential legal liability under RCW 21.20.430(4)(b) for its unregistered offer and sales in violation of RCW 21.20.140. After some changes were made to the offering circular, the Securities Division issued a permit for the rescission offering on September 9, 1998, and assigned the file number Q-03700. The permit was valid from September 9, 1998 to September 9, 1999. SMS was to send the offering circular to all existing shareholders. No other information could be sent to the investors unless it was first submitted to the Securities Division for review.
12. In addition to sending existing SMS shareholders the offering circular, SMS mailed the shareholders two letters, one just before, and one just after, mailing the offering circular. The first letter, dated August 24, 1998 and signed by Beeksma, provided 1998-99 sales projections and predicted profitability in the near future, claiming that SMS would net \$1 million in 1999. Beeksma also warned the shareholders of the forthcoming offering circular, describing it as a worst case scenario legal document that was not a recommendation of whether investors should invest in SMS.
13. The second letter, dated September 16, 1998 and signed by both Beeksma and Van Alstine, featured an article about SMS that appeared in the Tacoma News Tribune. The article quotes Van Alstine discussing the growth rate of the company, claimed to be averaging 30% per quarter since 1994, and predicted growth in sales from \$4 million to \$12 million in the next year. The letter appeared designed to discourage shareholders from accepting rescission, reminding them of the great investment opportunity they had had with Signature Media Services, and expressing the hope that the article motivated them to stay with SMS. The letter goes on to thank shareholders for referring investors to SMS, and asks that they consider referring "five or more potential investors" to SMS.
14. Both letters were used in connection with the sale and promotion of the registered rescission offering. Neither letter was submitted to the Securities Division for review prior to mailing. Both

1 letters were inconsistent with the offering circular, contained deceptive and misleading statements,  
2 and failed to disclose any of the risk factors required by the Securities Division and discussed in the  
3 offering circular. One risk factor referred to the Independent Auditors' Report on Signature Media's  
4 financial statement, which stated that there was substantial doubt about the company's ability to  
5 continue as a going concern. The Auditors noted that SMS had suffered recurring losses from  
6 operations and that its total liabilities exceeded assets by approximately \$1 million dollars.

- 7 15. On or about September 11, 1998, SMS mailed the rescission offering circular to all of the existing  
8 SMS shareholders, and included a form for shareholders to accept or reject the offer to rescind their  
9 stock purchase. If a shareholder elected to rescind, SMS promised to repay, within 30 days of  
10 receipt of the election, the shareholder's principal plus 8% interest from the date of purchase. The  
11 rescission offer was based on and disclosed Signature Media's illegal sale of unregistered stock, the  
12 illegal employee stock purchase program, and the illegal failure to provide disclosure materials to  
13 investors. The offering circular included a required audited financial statement that disclosed  
14 approximately \$200,000 in liability for "notes payable," but did not otherwise disclose the  
15 company's sale of the unregistered promissory notes.
- 16 16. Of the 94 shareholders who received the rescission offering, nine requested return of their  
17 investment. Of the nine, three were insiders and six were outsiders. The three insiders were paid  
18 off, in full, within a month of the date payment was due them. Of the six outsiders, one was paid off,  
19 in full, before her payment was due. The other five shareholders were paid on or about March 27,  
20 2000, more than a year after SMS promised to pay them.

#### 21 **IV. Signature Media's Rule 505 Offer**

- 22 17. In November 1998, SMS filed a Form D Notice of Sale of Securities with the Securities Division to  
23 sell stock to investors pursuant to the Securities Act of 1933, Regulation D, Rule 505 and WAC 460-  
24 44A-505. That Notice of Sale was received and became effective on Monday, November 16, 1998,  
25

1 and was assigned the number E-23192. SMS was required to file its Rule 505 Notice of Sale of  
2 Securities no later than 15 days after the first sale of securities in the offering. The earliest date on  
3 which SMS could legally sell under the Rule 505 offering was therefore Friday, October 30, 1998.  
4 Any and all offers and/or sales of SMS stock and securities made in connection to the Rule 505  
5 offering prior to that date were unregistered, and it appears that SMS did not otherwise qualify for an  
6 exemption from such registration.

- 7 18. Like the offering circular for the rescission offering, the offering circular for the Rule 505 offering  
8 described Signature Media's illegal sale of unregistered stock, the illegal employee stock purchase  
9 program, and the illegal failure to provide disclosure materials to investors. The offering circular  
10 described the rescission offering, and stated that the first priority for use of the proceeds of the  
11 offering would be to pay the shareholders that requested the return of their investment under the  
12 rescission offer.
- 13 19. The offering circular is dated October 21, 1998. By that date, SMS had already missed the deadline  
14 for payment to three of the nine SMS shareholders that had accepted the rescission offer. That fact  
15 was not disclosed in the offering circular. The offering circular failed to disclose the potential  
16 liability for the deceptive and misleading letters mailed to SMS shareholders during the rescission  
17 offering. The offering circular discloses approximately \$200,000 in liability for "notes payable," but  
18 does not otherwise disclose the company's sale of unregistered promissory notes.
- 19 20. The first three outsider-shareholders to accept the rescission offer did so on September 15, 1998.  
20 Under the terms of the offer, they were to be paid on or about October 20, 1998. Though SMS claims  
21 to have raised more than \$285,000 during the last three days of October, 1998, those three-outsider  
22 shareholders, plus two other outsiders, were not paid until March 2000. When they were paid, they  
23 were paid from Beeksmas personal trust account, not from the proceeds of the Rule 505 offer.
- 24 21. SMS claimed in a letter from counsel accompanying its Notice of Sale that the first sales under the  
25 Rule 505 offering were made October 30, 1998. Sales under the Rule 505 offering actually began



1 during the “no sales” period in June 1998. The offering circular does not disclose the sale of  
2 securities more than 15 days before the Rule 505 filing with the Securities Division.

3 22. Rule 505 provides an exemption from registration for certain limited offerings. Under the terms of  
4 the Rule 505 exemption, SMS may only sell only to accredited or “sophisticated” non-accredited  
5 investors. A “sophisticated” non-accredited investor means an investor who “has such knowledge  
6 and experience in financial and business matters that [he or she is] capable of evaluating the merits  
7 and risks of the prospective investment, or the issuer reasonably believes immediately prior to  
8 making any sale that such purchaser comes within this description.” SMS made sales under the  
9 Rule 505 exemption to non-accredited investors who did not meet the definition of “sophisticated”  
10 investors, and for whom the investment in SMS was entirely unsuitable. Issuers selling to non-  
11 accredited investors under Rule 505 also must provide certain offering materials to the potential  
12 investor a reasonable time before the sale. SMS failed to provide the offering materials to some non-  
13 accredited investors until after the sale.

14 23. The Rule 505 offering circular disclosed that some of the proceeds of the offering would be used to  
15 start a new division of SMS called Incite. The offering circular stated that Incite was to be a  
16 personal development and educational program designed to inspire and promote greatness in  
17 individuals. In describing the new division, the offering circular claims that “The Company,” SMS,  
18 initially conceived the idea and had assembled the products and services to be offered for sale. SMS  
19 planned to “launch” Incite in the fourth quarter of 1998, and it was projected to generate \$11 million  
20 in revenue for SMS within the next three years. SMS had registered the trade name Incite with the  
21 Department of Licensing on or about October 28, 1997.

22 24. On or about January 26, 1999, Beeksma wrote to one of the then still-unpaid SMS shareholders that  
23 had accepted the rescission offer. Beeksma spoke about the progress of the new Incite division,  
24 stating that “our business potential is getting very exciting with our new Internet division, Incite.”  
25 Beeksma even went so far as to claim that the shareholder would regret her decision to rescind in

1 light of the potential of Incite. On February 3, 1999, Beeksma wrote to another unpaid shareholder,  
2 stating that SMS had been relying on new investors to launch Incite. SMS was using the proceeds  
3 from the Rule 505 offering to finance the creation of the new SMS Internet website, Incite.net.

- 4 25. On or about Friday, March 5, 1999, Van Alstine wrote a letter announcing the “initial phase of the  
5 Incite website.” Based on the claims made by Beeksma and Van Alstine, and the Rule 505 offering  
6 circular, it appeared SMS would soon begin generating income sufficient to repay the shareholders  
7 that had elected to rescind their investment. Instead, Beeksma and Van Alstine incorporated the  
8 SMS Incite Internet division as a completely separate legal entity that they controlled.
- 9 26. On May 21, 1999, Beeksma and Van Alstine incorporated Incite.com, Inc., as an independent  
10 corporation. On June 1, 1999, Incite.com, Inc. filed a trade name registration with the Department of  
11 Licensing for the name Incite.com. On August 5, 1999, Incite.com, Inc. filed a Certificate of  
12 Amendment with the Secretary of State changing its name to Great Life Network, Inc. The  
13 shareholders that had elected to rescind their investment have not been paid, and a significant asset  
14 of SMS has been transferred to another corporation controlled by Beeksma and Van Alstine. GLN  
15 has informed some SMS shareholders that their stock in SMS has been converted to stock in GLN.

#### 16 **V. Great Life Network’s Rule 506 Offer**

- 17 27. In September, 1999, GLN filed a Form D Notice of Sale of Securities with the Securities Division to  
18 sell stock to investors pursuant to the Securities Act of 1933, Regulation D, Rule 506 and WAC 460-  
19 44A-506. The Notice of Sale was received and became effective on Monday, September 13, 1999,  
20 and was assigned number E-24382.
- 21 28. GLN’s Rule 506 offering circular claims that Erik Van Alstine guided Signature Media to an average  
22 four-year sales growth of 180% and 1998 sales of \$2.8 million. The offering circular claims that  
23 Mark Beeksma joined Van Alstine at Signature Media, and that together they built Signature Media  
24 into a successful company until leaving it to form Great Life Network. The offering circular does  
25

1 not disclose that SMS never made a profit, left employees, creditors, and suppliers unpaid, and never  
2 paid the shareholders who accepted rescission under the Rule 505 offering. The offering circular  
3 fails to disclose the relationship between GLN and SMS, other than by stating that GLN “plans to  
4 purchase” certain assets from SMS. The offering circular fails to disclose the prior registered and  
5 unregistered offers and sales of securities by SMS, Beeksma, and Van Alstine, and fails to disclose  
6 the potential liability of Van Alstine and Beeksma for those offerings.

7  
8 The Securities Administrator finds that the continued offering of securities by Signature Media Services,  
9 Inc., in the manner described in Tentative Finding of Fact 5 through 26, violates the anti-fraud provision of  
10 RCW 21.20.010, and the continued availability of exemptions to SMS presents a threat to the investing public.

11  
12 The Securities Administrator further finds that the continued offering of securities by Great Life Network,  
13 Inc., in the manner described in Tentative Finding of Fact 27 through 28, violates the anti-fraud provision of  
14 RCW 21.20.010, and the continued availability of exemptions to GLN presents a threat to the investing public.

15  
16 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

17  
18 **CONCLUSIONS OF LAW**

19  
20 **Violation of RCW 21.20.140**

21 The offer and/or sale of SMS stock and promissory notes and GLN stock as described above constitutes the  
22 offer and/or sale of a security as defined in RCW 21.20.005(10) and (12). The offer and/or sale of securities by  
23 Respondents Signature Media Services, Inc., Great Life Network, Inc., Mark B. Beeksma, and Erik R. Van Alstine  
24 violated RCW 21.20.140 because the offers and sales were made while no valid registration and no valid claim of  
25 exemption for such offers and/or sales existed.

**Violation of RCW21.20.010(2)**

1 Respondents Signature Media Services, Inc., Great Life Network, Inc., Mark B. Beeksma, and Erik R. Van  
2 Alstine have each violated RCW 21.20.010(2) in connection with the offer and/or sale of securities by  
3 misrepresenting facts and omitting facts necessary in order to make their statements, in light of the circumstances in  
4 which they were made, not misleading.  
5

**Violation of RCW 21.20.010(3)**

6  
7 Respondents Signature Media Services, Inc., Mark B. Beeksma, and Erik R. Van Alstine have each  
8 violated RCW 21.20.010(3) in connection with the offer and/or sale of securities by failing to pay, in the  
9 time period allowed under the rescission permit and specified in the Rule 505 offer, five of the nine SMS  
10 shareholders who accepted rescission.  
11

12 Respondents Signature Media Services, Inc., Great Life Network, Inc, Mark B. Beeksma, and Erik  
13 R. Van Alstine have each violated RCW 21.20.010(3) in connection with the offer and/or sale of securities  
14 by using proceeds from Signature Media's Rule 505 offering to finance Great Life Network, Inc., rather than  
15 in the manner specified in the Rule 505 offering circular.  
16

**Emergency**

17  
18 Based upon the foregoing, the Securities Administrator finds that an emergency exists, Respondents'  
19 continued violations of RCW 21.20.140 and RCW 21.20.010, and the availability of exemptions under RCW  
20 21.20.320, constitute a threat to the investing public. The Securities Administrator further finds that summary  
21 orders to cease and desist from those violations, and summary withdrawal of the availability of the exemptions of  
22 RCW 21.20.320, are 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, their agents, and employees each cease and desist from offering and/or selling securities in violation of RCW 21.20.140, the registration section of the Securities Act of Washington.

It is further SUMMARILY ORDERED that Respondents, their agents, and employees each cease and desist from violation of RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

It is further SUMMARILY ORDERED that based upon the foregoing violations of RCW 21.20.010 and the failure to comply with the exemption requirements of RCW 21.20.320, the exemptions available to Respondents under RCW 21.20.320(1), (9), (11) and (17) are hereby revoked for five (5) years from the date of this order.

It is further SUMMARILY ORDERED that offers and sales of securities under E- 23192 and E-24382 are hereby suspended.

**NOTICE OF INTENT TO IMPOSE FINES**

Based on the foregoing Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that Respondents have knowingly and recklessly violated the registration and anti-fraud provisions of the Securities Act, and that the imposition of fines under RCW 21.20.395 is required in light of the number and severity of violations.

**Signature Media Services, Inc.**

A fine, in an amount not to exceed \$5,000.00 for each violation, should be imposed against Respondents Signature Media Services, Inc., Mark B. Beeksma, and Erik R. Van Alstine, jointly and severally, as follows:

**Rescission Offering**

For the knowing or reckless violation of the rescission permit and RCW 21.20.010, by failing to pay, in the time period allowed under the rescission permit and specified in the Rule 505 offer, five of the nine SMS shareholders who accepted rescission, and for failing to disclose the non-payment to three of those shareholders in the Rule 505 offering circular, a fine of \$10,000.00.

1 **NEED FOR AFFIRMATIVE RELIEF and**  
2 **NOTICE OF INTENT TO ORDER AFFIRMATIVE RELIEF**

3 Based on the foregoing Tentative Findings of Fact and Conclusions of Law, the Securities Administrator  
4 finds that affirmative relief under RCW 21.20.390 is required to correct conditions resulting from the practices  
5 relating to the offer and/or sale of unregistered, registered, and/or exempt securities by Respondents. Respondents  
6 are hereby notified that the Securities Administrator intends to order appropriate affirmative relief. The  
7 affirmative relief sought should include the following provisions:

8 **Signature Media Services, Inc.**

9 **Notice to SMS Investors**

10 Respondent Signature Media Services, Inc. shall, within thirty (30) days of the entry of a  
11 final order in this matter, send by certified mail a copy of the final order or other pleading  
12 entered in this matter to all past and present Signature Media Services, Inc. investors,  
including but not limited to the shareholders and promissory note buyers. Respondent  
Signature Media Services, Inc. will provide the Securities Division with proof of mailing  
within sixty (60) days of the entry of a Final Order in this matter.

13 **Great Life Network, Inc.**

14 **Notice to GLN Investors**

15 Respondent Great Life Network, Inc. shall, within thirty (30) days of the entry of a final  
16 order in this matter, send by certified mail a copy of the final order or other pleading  
17 entered in this matter to all past and present Great Life Network, Inc. investors, including  
18 but not limited to shareholders. Respondent Great Life Network, Inc. will provide the  
Securities Division with proof of mailing within sixty (60) days of the entry of a Final  
Order in this matter.

19 **AUTHORITY AND PROCEDURE**

20 This Order is entered pursuant to the provisions of RCW 21.20.325 and RCW 21.20.390, and is subject to  
21 the provisions of Chapter 34.05 RCW. Respondents may each make a written request for a hearing as set forth in  
22 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this  
23 order.

24 If a respondent does not request a hearing, the Securities Administrator intends to adopt the Tentative  
25 Findings of Fact and Conclusions of Law set forth above as final as to that Respondent, make the Summary Order

1 to Cease and Desist permanent as to that Respondent, permanently order the fines and appropriate affirmative  
2 relief described above, and exemptions under RCW 21.20.320 will be revoked as to that Respondent.

3 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

4 DATED this \_\_\_\_ day of April, 2000.

5  
6 \_\_\_\_\_  
7 DEBORAH R. BORTNER  
8 Securities Administrator

9 Presented by:

10  
11 \_\_\_\_\_  
12 Anthony W. Carter  
13 Securities Examiner

14 Approved by:

15  
16 \_\_\_\_\_  
17 Michael E. Stevenson  
18 Chief of Compliance