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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:

THIRD EYE SYSTEMS, LLC; SALIHA MILLER;
BURKE HOVDE; their employees and agents,

Respondents.

SDO - 70 - 00

SUMMARY ORDER TO CEASE AND
DESIST

Case No. 99-11-0349

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Third Eye Systems, LLC, Saliha Miller, and Burke Hovde have violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds that delay in ordering 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

1.1 THIRD EYE SYSTEMS, LLC (“Third Eye”) is a Washington limited liability company with a principal place of business at 401 Harris Ave. #310, Bellingham, Washington. Third Eye purports to have been formed for the purpose of researching and developing software products related to the surveillance industry.

1.2 SALIHA MILLER (“Miller”) is the founder and co-manager of Third Eye.

1.3 BURKE HOVDE (“Hovde”) is the founder and co-manager of Third Eye.

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II. Nature of offering

2.1 Between October of 1998 and May of 2000, Respondents Third Eye Systems, LLC, Saliha Miller, and Burke Hovde, acting in concert and on behalf of one another, offered and sold Third Eye limited liability units or partial units to at least 46 investors, at least 21 of whom were Washington residents.

2.2 Units of Third Eye were sold for \$5,000 per unit.

2.3 In the course of the offer of these units, Respondents provided some of these investors with offering literature, including a document purporting to be an offering memorandum. Also included in the offering literature provided to investors was a copy of the limited liability company agreement of Third Eye Systems, LLC, effective as of November 26, 1998.

2.4 In the Third Eye limited liability company agreement, Saliha Miller and Burke Hovde are named as the initial Managers of Third Eye. In Article 7 of the agreement, it is stated that the Managers shall manage the business and affairs of the Company. The agreement also gives the managers the express power to sell or convey membership interests or admit any person as a member.

2.5 To date, Respondents have obtained at least \$836,000 from at least 46 investors through the sale of Third Eye limited liability company units.

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III. Misrepresentations and Omissions

Respondents failed to provide investors with a disclosure document containing complete material information about the investment described above, including but not limited to: financial statements of Third Eye Systems, LLC; the risk factors associated with the investment; the use of the proceeds from the offering; the business experience of the Managers of Third Eye, and the remuneration to the Managers of Third Eye.

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IV. Registration Status

The offer and sale of the investments described in paragraph II are not currently registered in the State of Washington and have not previously been so registered.

1 Third Eye Systems, LLC, Saliha Miller, and Burke Hovde are not currently registered as securities salespersons
2 or broker-dealers in the State of Washington and have not previously been so registered.

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

4 **CONCLUSIONS OF LAW**

5 **I. Securities**

6 The offer and/or sale of interests in Third Eye Systems, LLC as described above constitutes the offer and sale of
7 a security as defined in RCW 21.20.005(10) and (12), to wit: evidence of indebtedness; an investment contract; or risk
8 capital.

9 **II. Anti-Fraud Provision**

10 The offer and/or sale of said securities were made in violation of RCW 21.20.010 because, as set forth in
11 paragraph III of the Tentative Findings of Fact, Respondents either made untrue statements of material fact or omitted
12 to state material facts necessary in order to make the statements made, in light of the circumstances under which they
13 were made, not misleading.

14 **III. Registration of Securities**

15 The offer and/or sale of said securities are in violation of RCW 21.20.140 because no registration for such
16 offer and sale is on file with the Securities Administrator of the state of Washington.

17 **IV. Registration of Broker-Dealers and Salespersons**

18 Respondents have violated RCW 21.20.040 by offering and/or selling said securities while not registered
19 as a securities salesperson, broker-dealer, or investment adviser in the state of Washington.

20 **V. Emergency**

21 The Securities Administrator finds that an emergency exists and that the continued violations of RCW
22 21.20.010, RCW 21.20.140, and RCW 21.20.040, constitute a threat to the investing public. Accordingly, a
23

1 Summary Order to Cease and Desist from those violations is in the public interest and necessary for the protection
2 of the investing public.

3 **SUMMARY ORDER**

4 Based upon foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Third Eye
5 Systems, LLC, Saliha Miller, Burke Hovde, and their employees and agents each cease and desist from violating RCW
6 21.20.010, the anti-fraud section of the Securities Act.

7 It is further SUMMARILY ORDERED that Respondents, Third Eye Systems, LLC, Saliha Miller, Burke
8 Hovde, and their employees and agents each cease and desist from violating RCW 21.20.140 by offering and/or selling
9 unregistered securities.

10 It is further SUMMARILY ORDERED Third Eye Systems, LLC, Saliha Miller, and Burke Hovde, and their
11 employees and agents each cease and desist from violating RCW 21.20.040 by acting as a securities broker-dealer or
12 securities salesperson without being so registered.

13 **AUTHORITY AND PROCEDURE**

14 This Order is entered pursuant to the provisions of RCW 21.20.390, and is subject to the provisions of
15 Chapter 34.05 RCW. Each of the Respondents may make a written request for a hearing as set forth in the
16 NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order.

17 If a Respondent does not request a hearing, the Securities Administrator intends to adopt the above
18 Tentative Findings of Fact and Conclusions of Law as final and make the Summary Order to Cease and Desist
19 permanent as to that Respondent.

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1 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

2 DATED this 30th day of June, 2000.

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6 DEBORAH R. BORTNER
7 Securities Administrator

8 Approved by:

Presented by:

9
10 _____
11 Michael E. Stevenson
12 Chief of Compliance

13 _____
14 Chad Standifer
15 Staff Attorney

1 in your own behalf who will be subject to cross examination, to cross examine those witnesses presented in
2 support of the Order, to examine such documentary evidence as may be produced against you, and to conduct
3 discovery as is authorized in such proceedings. You may require the attendance of witnesses by subpoena,
4 pursuant to RCW 34.05.446. If you are limited English-speaking or hearing impaired, you have the right to have
5 an interpreter appointed at no cost to you, as discussed below.

6 INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-
7 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for
8 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate
9 in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN
10 INTERPRETER, then a qualified interpreter will be appointed at not cost to you or to the witness. You may request
11 the appointment of a qualified interpreter by indicating your request on the attached Application for Adjudicative
12 Hearing form.

13 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the
14 Application for Adjudicative Hearing form within twenty (20) days from the date you receive this notice, this will
15 constitute a waiver of your right to a hearing in accordance with Ch. 34.05 RCW, and the director will find that
16 you do not contest the allegations of the Summary Order. Upon such a finding by the director, a final order will be
17 immediately entered disposing of this matter and ordering you to cease and desist as described in the Summary
18 Order. If you desire a hearing in this matter, please return the attached Application for Adjudicative Hearing to:

19 Washington State Department of Financial Institutions
20 Securities Division
21 Attn: Chad Standifer
22 P.O. Box 9033
23 Olympia, WA 98507-9033

24 DATED this ____ day of _____, 2000.

25 _____
26 DEBORAH R. BORTNER
27 Securities Administrator

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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:

THIRD EYE SYSTEMS, LLC; SALIHA
MILLER; BURKE HOVDE; their employees and
agents,

Respondents.

SDO - 70B(2) - 00

NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORTUNITY FOR HEARING

Case No. 99-11-0370

THE STATE OF WASHINGTON TO:

Attn: Saliha Miller
Third Eye Systems, LLC
401 Harris Ave. #310
Bellingham, WA 98225-7071

YOU ARE HEREBY NOTIFIED that a SUMMARY ORDER TO CEASE AND DESIST (“the Order”), a true and correct copy of which is attached and made part hereof, has been entered against you by the Washington State Department of Financial Institutions, Securities Division.

YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before an administrative law judge as Presiding Officer, upon the allegations supporting and ground for the agency action as set forth in the Order. YOUR APPLICATION MUST BE RECEIVED BY THE SECURITIES DIVISION WITHIN TWENTY (20) DAYS FROM THE DATE THAT YOU RECEIVE THIS NOTICE. If you demand a hearing, you will be notified of the date, time, and hearing location will be mailed to you at least seven (7) days in advance.

At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be recorded and will be conducted according to the Administrative Procedure Act, Ch. 34.05 RCW. The primary concern of the Administrative Law Judge, and, ultimately, the Director of the Department of Financial Institutions, will be to determine the truth of the matters asserted in the Order. Technical rules of evidence will not be binding at the hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses

1 in your own behalf who will be subject to cross examination, to cross examine those witnesses presented in
2 support of the Order, to examine such documentary evidence as may be produced against you, and to conduct
3 discovery as is authorized in such proceedings. You may require the attendance of witnesses by subpoena,
4 pursuant to RCW 34.05.446. If you are limited English-speaking or hearing impaired, you have the right to have
5 an interpreter appointed at no cost to you, as discussed below.

6 INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-
7 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for
8 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate
9 in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN
10 INTEPRETER, then a qualified interpreter will be appointed at not cost to you or to the witness. You may request
11 the appointment of a qualified interpreter by indicating your request on the attached Application for Adjudicative
12 Hearing form.

13 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the
14 Application for Adjudicative Hearing form within twenty (20) days from the date you receive this notice, this will
15 constitute a waiver of your right to a hearing in accordance with Ch. 34.05 RCW, and the director will find that
16 you do not contest the allegations of the Summary Order. Upon such a finding by the director, a final order will be
17 immediately entered disposing of this matter and ordering you to cease and desist as described in the Summary
18 Order. If you desire a hearing in this matter, please return the attached Application for Adjudicative Hearing to:

19 Washington State Department of Financial Institutions
20 Securities Division
21 Attn: Chad Standifer
22 P.O. Box 9033
23 Olympia, WA 98507-9033

24 DATED this ____ day of _____, 2000.

25 _____
26 DEBORAH R. BORTNER
27 Securities Administrator

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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:

THIRD EYE SYSTEMS, LLC; SALIHA
MILLER; BURKE HOVDE; their employees and
agents,

Respondents.

SDO - 70B(3) - 00

NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORTUNITY FOR HEARING

Case No. 99-11-0370

THE STATE OF WASHINGTON TO:

Attn: Burke Hovde
Third Eye Systems, LLC
401 Harris Ave. #310
Bellingham, WA 98225-7071

YOU ARE HEREBY NOTIFIED that a SUMMARY ORDER TO CEASE AND DESIST (“the Order”), a true and correct copy of which is attached and made part hereof, has been entered against you by the Washington State Department of Financial Institutions, Securities Division.

YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before an administrative law judge as Presiding Officer, upon the allegations supporting and ground for the agency action as set forth in the Order. YOUR APPLICATION MUST BE RECEIVED BY THE SECURITIES DIVISION WITHIN TWENTY (20) DAYS FROM THE DATE THAT YOU RECEIVE THIS NOTICE. If you demand a hearing, you will be notified of the date, time, and hearing location will be mailed to you at least seven (7) days in advance.

At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be recorded and will be conducted according to the Administrative Procedure Act, Ch. 34.05 RCW. The primary concern of the Administrative Law Judge, and, ultimately, the Director of the Department of Financial Institutions, will be to determine the truth of the matters asserted in the Order. Technical rules of evidence will not be binding at the hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses

NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORTUNITY FOR HEARING

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

1 in your own behalf who will be subject to cross examination, to cross examine those witnesses presented in
2 support of the Order, to examine such documentary evidence as may be produced against you, and to conduct
3 discovery as is authorized in such proceedings. You may require the attendance of witnesses by subpoena,
4 pursuant to RCW 34.05.446. If you are limited English-speaking or hearing impaired, you have the right to have
5 an interpreter appointed at no cost to you, as discussed below.

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7 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for
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19 Washington State Department of Financial Institutions
20 Securities Division
21 Attn: Chad Standifer
22 P.O. Box 9033
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24 DATED this ____ day of _____, 2000.

25 _____
26 DEBORAH R. BORTNER
27 Securities Administrator

INSTRUCTIONS: Check the box beside your desired response. Mail this document as set forth above.

I.

I request a hearing in this matter.

I do not request a hearing in this matter.

II.

I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, and telephone number are:

III.

I [REQUEST] [DO NOT REQUEST] that a qualified interpreter be appointed at no cost to me to interpret for (myself) or (my witness(es)). My, or my witness's(es'), primary language is _____ (identify language). My, or my witness's(es'), hearing impaired status is _____ (identify hearing impaired status). I understand that a qualified interpreter will be appointed at no cost to me or to my witness(es).

IV.

You have the right: To demand an adjudicative hearing, to be represented by an attorney at your own expense; and to subpoena witnesses to the hearing or subpoena the production of books or documents, and to otherwise defend against the Summary Order.

WARNING: FAILURE TO COMPLETE AND MAIL THIS DOCUMENT SO THAT IT IS RECEIVED BY THE SECURITIES DIVISION WITHIN 20 DAYS AFTER YOUR RECEIPT OF THE SUMMARY ORDER WILL RESULT IN THE DISPOSITION OF THIS CASE AS AUTHORIZED BY RCW 34.05.440.

Dated this _____ day of _____, 2000.

**** Sign ****

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Dated this _____ day of _____, 2000.

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Address:
