

1 **STATE OF WASHINGTON**  
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING ) Order No. S-14-1405-14-SC01  
5 Whether there has been a violation of the )  
6 Securities Act of Washington by: ) STATEMENT OF CHARGES AND NOTICE OF  
7 ) INTENT TO ENTER ORDER TO CEASE AND  
8 Alfred Mark Swanson, ) DESIST, TO IMPOSE FINES, AND TO CHARGE  
9 Donald L. Swanson, Sr., ) COSTS  
10 )  
11 Respondents. )

12 **THE STATE OF WASHINGTON TO:** **Alfred Mark Swanson**  
13 **Donald L. Swanson, Sr.**

14 **STATEMENT OF CHARGES**

15 Please take notice that the Securities Administrator of the state of Washington has reason to believe  
16 that Respondents Alfred Mark Swanson and Donald L. Swanson, Sr. have each violated the Securities Act  
17 of Washington. These violations justify the entry of an order of the Securities Administrator against each  
18 respondent to cease and desist under RCW 21.20.390, to impose fines under RCW 21.20.395, and to charge  
19 costs under RCW 21.20.390. The Securities Administrator finds as follow:

20 **TENTATIVE FINDINGS OF FACT**

21 Respondents

- 22 1. Alfred Mark Swanson, a/k/a Mark Swanson, ("Mark Swanson") is a resident of Illinois.  
23 2. Donald L. Swanson, Sr. ("Donald Swanson") is a resident of Illinois and Mark Swanson's brother.

24 Related Parties

- 25 3. Acquisitive, LLC was a Nevada limited liability company that was formed in December 2008.  
Nevada revoked the company's LLC status after Acquisitive, LLC failed to file a list of officers in  
December 2011. Donald Swanson was a manager of Acquisitive, LLC. At all times relevant to this  
Statement of Charges, Mark Swanson did business as Acquisitive, LLC.  
4. Dreamwalk Holdings, LLC ("Dreamwalk") was a Nevada limited liability company that was formed  
in April 2012. Nevada revoked the company's LLC status after Dreamwalk failed to file a list of officers in  
May 2012. Mark Swanson was the noncommercial registered agent of Dreamwalk.

5. Eric M. Beaird ("Beaird") is a resident of Connecticut.

STATEMENT OF CHARGES AND NOTICE  
OF INTENT TO ENTER ORDER TO  
CEASE AND DESIST, TO IMPOSE FINES,  
AND TO CHARGE COSTS

Nature of the Offering

6. In or around March 2013, Mark and Donald Swanson offered and sold a \$50,000 investment to a Washington resident. The Swansons told the Washington investor that the investor would receive a return on her investment within a couple of weeks. At the time of the offer, the Washington investor was non-accredited, and Mark and Donald Swanson did not have a pre-existing relationship with the investor.

7. The Washington investor was introduced to the Swansons and the investment by Beard, who the Washington investor knew through other business dealings. Beard told the Washington investor that Beard had done business with Mark and Donald Swanson in the past, and that the Swansons were successful businessmen. Beard told the Washington investor that the Swansons needed \$75,000 to complete a transaction that involved the sale of gold from one Philippine trust to another.

8. Beard suggested that he and the Washington investor invest together. The Washington investor agreed to invest \$50,000, and Beard said he would invest \$25,000. Beard told the Washington investor that investing \$75,000 in the transaction would result in a profit of \$1.4 million, which Beard and the Washington investor would split. Beard told the Washington investor that the trusts were old and established, so the Washington investor could not lose her investment.

9. After introducing the investment to the Washington investor, Beard set up a conference call with Beard, the Washington investor, Donald Swanson, and Mark Swanson. On the call, the Swansons told the Washington investor that Donald Swanson knew people who ran one of the Philippine trusts. Mark Swanson told the Washington investor that the investor and Beard would make at least \$1.4 million from the investment and could make as much as \$2 million. Mark Swanson told the Washington investor that she would receive her portion of the profit in a couple of weeks. The Washington investor had no expectation of control over the administration or management of the gold transaction. Mark Swanson did not provide the Washington investor with any written documents regarding the investment.

10. On March 8, 2013, per Mark Swanson's instructions, the Washington investor wired \$50,000 from her retirement account to a bank account in the name of Dreamwalk. On March 20, 2013, Mark Swanson stated in an email to the Washington investor that she should receive her investment profit by the end of the week.

11. Mark Swanson continued to provide investment updates to the Washington investor by phone and email, often relaying information that Donald Swanson purportedly received from his contact person at the trust. Mark Swanson repeatedly told the Washington investor that the Washington investor should receive

1 her money within a few days or a week. Mark Swanson gave the Washington investor several reasons for  
2 why the investor had not received a payout from the investment yet, including that military personnel were  
3 brought in to handle the money transfer, a military general called off the money transfer, there were security  
4 issues due to national elections, security concerns related to transferring the money, a typhoon that hit the  
Philippines, and Philippine Independence Day.

5 12. By September 2013, Mark Swanson stopped providing the Washington investor with updates on the  
6 investment. Despite the Washington investor's requests that her money be partially or fully refunded, as of  
7 the date of this Statement of Charges, Mark Swanson has not provided the Washington investor with a  
refund or a return on her investment.

8 Misrepresentations and Omissions

9 13. Mark and Donald Swanson failed to provide the Washington investor with material information  
10 regarding the investment, including but not limited to a detailed description of the investment, the names of  
11 the trusts in the Philippines, the financial condition of the trusts, the identity and background of the people  
12 managing the trusts, the total amount of money raised, how the Washington investor's funds would be used,  
13 whether and how the people facilitating the transaction would be compensated, and the general and specific  
risks of investing in a transaction involving the sale of gold from one Philippine trust to another.

14 14. Mark and Donald Swanson also failed to disclose to the Washington investor that Donald Swanson  
15 was the subject of multiple civil judgments from 2011 related to failed real estate investments, and that  
16 Mark and Donald Swanson had each defaulted on their home mortgages and an Illinois circuit court judge  
17 had entered an Order of Foreclosure against Donald Swanson in December 2012 and against Mark Swanson  
in February 2013.

18 Based upon the above Findings of Fact, the following Conclusions of Law are made:  
19

20 **CONCLUSIONS OF LAW**

21 1. The offer or sale of the investment as described above constitutes the offer or sale of a security as  
22 defined in RCW 21.20.005(14) and RCW 21.20.005(17).

23 2. The offer or sale of said securities was in violation of RCW 21.20.010 because, as set forth in the  
24 Tentative Findings of Fact, Respondents made untrue statements of material fact or omitted to state material  
25 facts necessary to make the statements made, in light of the circumstances under which they were made, not  
misleading.

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2 **NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST**

3 Pursuant to RCW 21.20.390(1), and based upon the above Tentative Findings of Fact and  
4 Conclusions of Law, the Securities Administrator intends to order that Respondents Alfred Mark Swanson  
5 and Donald L. Swanson, Sr. each shall cease and desist from violations of RCW 21.20.010.

6 **NOTICE OF INTENT TO IMPOSE A FINE**

7 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions  
8 of Law, the Securities Administrator intends to order that Respondents Alfred Mark Swanson and Donald L.  
9 Swanson, Sr. shall be jointly and severally liable for and shall pay a fine of \$5,000.

10 **NOTICE OF INTENT TO CHARGE COSTS**

11 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of  
12 Law, the Securities Administrator intends to order that Respondents Alfred Mark Swanson and Donald L.  
13 Swanson, Sr. shall be jointly and severally liable for and shall pay investigative costs of at least \$750.

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15 **AUTHORITY AND PROCEDURE**

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17 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is  
18 subject to the provisions of Chapter 34.05 RCW. The respondents, Alfred Mark Swanson and Donald L.  
19 Swanson, Sr., may each make a written request for a hearing as set forth in the NOTICE OF  
20 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. If a  
21 respondent does not make a hearing request in the time allowed, the Securities Administrator intends to  
22 adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order  
23 to cease and desist as to that respondent, to impose any fines sought against that respondent, and to charge  
24 any costs sought against that respondent.  
25

Signed and Entered this 30th day of May 2014.



William M. Beatty  
Securities Administrator

Approved by:

Presented by:



Suzanne Sarason  
Chief of Enforcement



Holly Mack-Kretzler  
Financial Legal Examiner

Reviewed by:



Robert Kondrat  
Financial Legal Examiner Supervisor