

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
ENFORCEMENT SECTION
BEFORE THE DIRECTOR OF THE
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of:

S-09-0050

YONGSU MEADE,
AKA YOUNG SUE MEADE,
AKA SUE MEADE,

ORDER TO CEASE AND DESIST
ORDER DENYING EXEMPTIONS
FROM SECURITIES REGISTRATION
AND
CONSENT TO ENTRY OF ORDER

Respondent.

WHEREAS the Director of the Department of Consumer and Business Services (hereinafter "Director") has conducted an investigation of activities conducted by Yongsu Meade (hereinafter "Meade") and has determined that Meade offered and sold securities in violation of the Oregon Securities Law; and

WHEREAS Meade wishes to resolve and settle this matter with the **DIRECTOR**;

NOW THEREFORE, as evidenced by the authorized signature subscribed on this Order, Meade hereby **CONSENTS** to entry of this Order to Cease and Desist upon the Director's Findings of Fact and Conclusions of Law as stated hereafter.

FINDINGS OF FACT

A. Initial Complaint

1. In December of 2007, a California resident filed a complaint with the Internet Crime Complaint Center, www.ic3.gov, (hereinafter "ic3"). IC3 is an alliance between the National White Collar Crime Center and the Federal Bureau of Investigation. The complaint alleged that Meade, a Washington county resident, had defrauded the complainant, a doctor, out of \$250,000.

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1 2. IC3 forwarded the complaint to the Washington County Sheriff's office. A detective
2 investigated the complaint and determined that there were a number of potential victims in
3 addition to the original complainant.

4 3. The Washington County Detective enlisted the assistance of the United States Postal
5 Inspection Service (hereinafter "USPIS"). The joint investigation led to the determination
6 that Meade may have been offering and selling securities.

7 4. In March of 2009, the Oregon Division of Finance and Corporate Securities
8 (hereinafter "DFCS") was contacted by USPIS and the Washington County Sheriff's detective
9 investigating Meade. DFCS assigned an investigator to assist in the investigation of Meade's
10 activities.

11 **B. Joint Investigation**

12 5. The joint investigation revealed that from at least January of 2004 until January of
13 2008 Meade offered and sold at least three different types of "investments":

- 14 i. Meade convinced investors to provide her with their money so that she could
15 invest it on their behalf in the foreign currency market. Meade had total
16 management and control over the investor's funds. Meade traded some
17 investor's funds on the foreign currency market. Meade knew of the risks of
18 these trading on the foreign currency market but did not disclose the risks to
19 investors.
- 20 ii. Meade told investors that she was developing a computer software program
21 that would be used to trade on the foreign currency markets. Investors
22 provided Meade with funds to be used solely for developing this software
23 program. Meade did not use the investor funds to develop a software program
24 but rather diverted the funds to pay earlier investors or for her own personal
25 benefit.





1 iii. Meade told investors that she had access to invest in large “blocks” that
2 multinational corporations traded in. Investors provided Meade with funds to
3 be invested in these “blocks.” In reality, no such “block” investments existed.
4 Meade used investor funds to pay other investors or for her own personal
5 benefit.

6 6. In each of the above described “investments” investors gave Meade their money with
7 the expectation of earning a profit.

8 7. None of the investments sold by Meade described above were registered with the
9 Oregon Division of Finance and Corporate Securities.

10 8. Meade has never been licensed to sell securities in the state of Oregon.

11 9. The joint investigation revealed that at least twenty individuals invested funds with
12 Meade. Total funds invested amount to approximately 2 million dollars. By Meade’s own
13 admission, she lost or misappropriated at least 1 million dollars of investor funds.

14 10. Initially, Meade deposited investor funds in foreign currency trading accounts with
15 two companies. First, Forex.com and then ACM online trading services. The foreign
16 currency markets are extremely volatile. In one instance, Meade lost over \$100,000 in one
17 day.

18 11. Ultimately, Meade lost the majority of funds invested in the foreign currency market.
19 To cover her losses, Meade subsequently began using new investors’ funds to make payments
20 to previous investors. Eventually, Meade was operating a ponzi scheme and was no longer
21 depositing investors’ funds into any foreign currency trading account.

22 **C. Criminal Prosecution**

23 12. The joint investigation provided their findings to a DFCS attorney assigned to the
24 case. The case was reviewed for potential criminal charges. Out of the twenty investors
25 identified by the joint investigation only one, the initial complainant, reported their loss to the

1 authorities. Therefore, the statute of limitations had run on many of the transactions.
2 Ultimately, it was determined that there was sufficient evidence to pursue criminal charges
3 against Meade with regard to four victims.

4 13. The Washington County District Attorney's Office, appointed a DFCS attorney as
5 special prosecutor. Two Washington County Deputy District Attorney's assisted on the case.

6 14. On July 24, 2009, a Washington County Grand Jury returned an indictment against
7 Meade charging her with fifteen counts of selling an unregistered security, thirteen counts of
8 aggravated theft in the first degree, and two counts of theft in the first degree. Case #
9 C091716CR.

10 15. On September 14, 2009, pursuant to a plea agreement, Meade pled guilty to four
11 counts of aggravated theft in the first degree and four counts of selling an unregistered
12 security. Each of these counts is classified as a class B felony under Oregon law. The plea
13 agreement requires Meade to be sentenced to 57 months in the Oregon Department of
14 Corrections and requires her to pay full restitution to all victims named in the indictment,
15 totaling over \$644,000.

16 CONCLUSIONS OF LAW

17 The Director **CONCLUDES** that:

- 18 1. The investments sold by Meade constitute a security as defined in ORS 59.015(19)(a).
- 19 2. In at least four instances, Meade sold unregistered securities in Oregon in violation of
20 ORS 59.055.
- 21 3. In at least four instances, four instances Meade sold securities in Oregon without a
22 license in violation of ORS 59.165(1).
- 23 4. In at least four instances, Meade made a material misrepresentation in the sale of a
24 security by telling Oregon residents that she would invest their money when in fact she used
25 their money for her own personal benefit, in violation of ORS 59.135.



ORDER

The Director, pursuant to ORS 59.245 hereby **ORDERS** that Meade shall **CEASE**
and DESIST from:

1. Selling securities without a license in violation of Oregon Securities Laws;

2. Selling unregistered securities in the State of Oregon in violation of the Oregon
Securities Laws;

3. Violating any provision of the Oregon Securities Laws, including ORS Chapter 59 and
OAR Chapter 441.

4. Meade is permanently **DENIED** the use of securities registration and transaction
exemptions that would otherwise be available to her under ORS 59.025 and ORS 59.035,
respectively;

5. Meade is permanently **BARRED** from applying for or renewing any investment
adviser, broker-dealer or securities salesperson license in the State of Oregon;

6. Meade is permanently **BARRED** from applying to register or renew any securities
registration in the State of Oregon;

7. Meade is permanently **BARRED** from applying for, holding, or renewing any license
or registration required by the Director in Oregon, including but not limited to insurance,
consumer finance, manufactured structure dealer or mortgage lending. She is further
BARRED from acting as a mortgage loan originator or mortgage loan processor in Oregon.

8. Meade is ordered to pay the sum of **TWO HUNDRED AND FORTY THOUSAND**
DOLLARS (\$240,000) as a civil penalty for the violations of ORS 59.055, 59.135, and
59.165, described herein.

9. To ensure that investors receive restitution commensurate with their losses, the
Director elects to **SUSPEND** this **CIVIL PENALTY** so long as Meade:

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- 1 a. Complies with the Washington County Circuit Court's Restitution Order in
2 case number C091716CR; and
3 b. Pays \$1,600 per month toward restitution while she is incarcerated in the
4 Oregon Department of Corrections;

5 10. If the Director determines that Meade has violated the terms of this Order the
6 suspended Civil Penalty shall become immediately due and owing in its entirety.

7 The entry of this Order in no way limits further remedies which may be available to
8 the Director under the Oregon Law.

9 Dated this 21st day of September 2009, at Salem, Oregon.

10
11 CORY STREISINGER, Director
12 Department of Consumer and Business Services

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14 David Tatman, Administrator
15 Division of Finance and Corporate Securities

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1 **CONSENT TO ENTRY OF ORDER**

2 I, Yongsu Meade, state that I am a resident of the State of Oregon, that I have read the
3 foregoing Order and that I know and fully understand the contents hereof; that the factual
4 allegations stated herein are true and correct; that I have been advised of my right to a
5 hearing, and that I have been represented by counsel in this matter; that I voluntarily consent
6 to the entry of this Order without any force or duress, expressly waiving any right to a hearing
7 in this matter; that I understand that the Director reserves the right to take further actions
8 against me to enforce this Order or to take appropriate action upon discovery of other
9 violations of the Oregon Securities Law by me; and that I will fully comply with the terms
10 and conditions stated herein.

11 I understand that this Consent Order is a public document.

12 Dated this 21 day of September, 2009.

13 Yongsu Meade
14 Yongsu Meade

15 SUBSCRIBED AND SWORN to before me this 21 day of Sept., 2009.

16 Suzanne M. Upton
17

18 (Printed Name of Notary Public)
19 Notary Public
for the State of Oregon Suzanne M. Upton
Circuit Court Judge

20 My commission expires 9-21-09.

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