

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. S-17-0135

BECKER, JACKSON & REED LLC,
a Florida limited liability company,
ALPINE FAMILY
ENTERTAINMENT PARKS 1, LLC,
a Delaware limited liability company,
and JUDITH JACKSON, an
individual,

FINAL ORDER TO CEASE AND
DESIST, FINAL ORDER DENYING
USE OF EXEMPTIONS, FINAL ORDER
ASSESSING CIVIL PENALTIES,
ENTERED BY DEFAULT

Respondents.

On November 29, 2017, the Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), by and through the Division of Financial Regulation (“Division”), served Notice on Becker, Jackson & Reed LLC (“BJR”), Alpine Family Entertainment Parks 1, LLC (“Alpine”), and Judith Jackson (“Jackson”) (collectively, “Respondents”) that the Director intended to issue orders denying Respondents the use of exemptions and imposing civil penalties upon them.¹

The Notice offered Respondents an opportunity for a hearing if requested within 20 days of service of the Notice. The Notice further informed Respondents that if a hearing was not conducted because Respondents did not timely request a hearing or otherwise defaulted, then the designated portion of the Division’s file and all materials submitted by Respondents in this case would automatically become part of the contested case record for the purpose of proving a prima facie case.

¹ The Notice also ordered Respondents to cease and desist from engaging in violations of Oregon Revised Statutes (“ORS”) 59.005 to 59.451, 59.991 and 59.995, and Oregon Administrative Rules (“OAR”) chapter 441 (collectively, “the Oregon Securities Law”).

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 The Director did not receive from Respondents a request for a hearing and did not
2 conduct a hearing.

3 The Director finds that the record of this proceeding proves a prima facie case.

4 Now, therefore, after considering the relevant portions of the Division's file relating to
5 this matter, the Director finds and orders as follows.

6 FINDINGS OF FACT

7 The Director FINDS that:

8 1. On or around March 19, 2014, Jackson registered BJR as a Florida limited
9 liability company. At all relevant times, Jackson has been BJR's sole member and 100%
10 owner.

11 2. On or around February 19, 2015, Jackson registered Alpine as a Delaware
12 limited liability company.²

13 3. At no relevant time has BJR held membership with the Financial Industry
14 Regulatory Authority ("FINRA") or the Securities Investment Protection Corporation
15 ("SIPC").

16 4. On or around February 23, 2015, BJR established a website at the address
17 beckerjacksonreed.com ("BJR Website").³

18 5. The BJR Website states that BJR has "more than 30 years of experience in the
19 alternative asset management industry."

20 6. The BJR Website states that BJR is a member of FINRA and SIPC.

21 7. On or around March 3, 2015, Jackson established a checking account in BJR's
22 name, ending in -6162, at Bank of America ("Bank Account").

23 8. At an unknown date, Alpine established a website at the address
24 alpineparks.homestead.com ("Alpine Website").

25 _____
26 ² Alpine's corporate registration documents identify no other individuals with an interest or role in Alpine.

³ This URL was later moved to beckerjacksonreed.homestead.com.





1 9. The Alpine Website states that Alpine is “a provider of technical and
2 professional services to the themed entertainment industry.” To this end, the Alpine
3 Website states that Alpine provides the following services: feasibility analysis; strategic
4 consulting; operations management; design; and executive recruitment (“Alpine
5 Services”).

6 10. The Alpine Website contains a private placement memorandum (“PPM”)
7 setting forth the terms under which potential investors could purchase shares of Alpine
8 stock. The Alpine Website contains subscription documents to transact shares of Alpine
9 stock. The Alpine Website contains statements encouraging potential investors to
10 purchase shares of Alpine stock.⁴

11 11. At no relevant time has Alpine actually performed any of the Alpine Services.
12 The Director’s investigation found no evidence of *any* Alpine business activities save for
13 the creation of the Alpine Website and foregoing investment documents.

14 12. In or around the spring of 2016, a BJR representative made an unsolicited
15 telephone call to DD, an Oregon resident.⁵ During the course of the conversation, the
16 representative made the following claims:

- 17 (1) Alpine was raising \$9,000,000 to develop an amusement park in San Diego,
18 California;
- 19 (2) BJR sought investment funds on Alpine’s behalf;
- 20 (3) To raise funds, Alpine was selling shares of its company stock at \$1 per share;
- 21 (4) Alpine would soon become a publicly traded company, at which time the
22 shares would be worth \$12 each; and
- 23 (5) All investment funds would be maintained in an escrow account until Alpine’s
24

25 ⁴ Ex. “We believe that Alpine provides an extraordinary opportunity for financial gains in an industry that has grown
26 over fifty percent over the last ten years, outpacing the growth rate of the S & P 500. We’ve structured a return
whose potentials include ongoing profit sharing beyond the return on investment for the life of the properties.”

⁵ At the time, DD was approximately 70 years old and a permanently disabled military veteran.



1 public offering.

2 13. Based upon the foregoing representations, DD wired \$3,125 to the Bank
3 Account on or around June 28, 2016. Shortly thereafter, DD received a certificate for
4 3,125 shares of Alpine stock.

5 14. At no relevant time was Alpine engaged in developing an amusement park in
6 San Diego or anywhere else.

7 15. At no relevant time was it imminent that Alpine would become a publicly
8 traded company.

9 16. At no relevant time did BJR maintain any of DD's investment funds in an
10 escrow account.

11 17. In or around July 2016, DD was contacted by a BJR representative who
12 identified himself as Jonathon Plimpton ("Plimpton").⁶ Thereafter, DD and Plimpton had
13 weekly telephonic communications in which Plimpton encouraged DD to purchase
14 additional shares of Alpine stock. Plimpton also provided DD with documentation
15 relating to investment in Alpine, including the PPM.

16 18. From approximately September 8, 2016 through approximately February 9,
17 2017, DD provided BJR an additional \$106,250 to purchase shares of Alpine stock. The
18 majority of these funds were deposited in the Bank Account.⁷ During this approximate
19 timeframe, DD received certificates for 106,250 shares of Alpine stock.

20 19. In early 2017, Plimpton contacted DD and claimed that Alpine was
21 negotiating a merger with Merlin Entertainments ("Merlin"), a European-based
22 entertainment company. In particular, Plimpton claimed that:

23 (1) Merlin had deposited \$200,000,000 in an escrow account that was intended to
24 develop an amusement park in the United States;

25 ⁶ Plimpton is identified in BJR correspondence as BJR's Chief Compliance Officer. Plimpton is not identified in
26 BJR's corporate registration documents.

⁷ \$29,375 of the funds were deposited in an alternate BJR account ending in -6188.



1 (2) Alpine shareholders needed to vote on, and approve, the sale and transfer of
2 their Alpine shares to Merlin shares;

3 (3) Alpine shares would net approximately \$600 per share once the merger was
4 completed; and

5 (4) He (Plimpton) had reserved additional shares for himself, but that he would
6 allow DD to purchase them at a “3-1 split” (Three shares for each dollar invested).

7 20. Based upon the foregoing representations, DD wired an additional \$50,000 to the
8 Bank Account on or around June 2, 2017. Shortly thereafter, Plimpton and BJR ceased all
9 communication with DD.⁸

10 21. At no relevant time was Alpine negotiating a merger with Merlin.

11 22. In addition to the funds provided by DD, the Bank Account contained funds from
12 approximately sixty other individuals totaling approximately \$1,000,000.

13 23. The vast majority of Bank Account funds, approximately \$800,000, were wired to
14 Mexican bank accounts controlled by three Mexican citizens. The majority of the remaining
15 funds were either used to perpetuate the investment scheme – Internet advertising, telephone
16 services, virtual offices – or transferred to a secondary BJR bank account, wherefrom they were
17 transferred to Mexican bank accounts or used for scheme-perpetuation services.

18 24. None of the Bank Account funds were transferred to Alpine. None of the Bank
19 Account funds appear to have funded the planning, design, development or construction of an
20 amusement park.

21 25. At no relevant time was Alpine’s stock registered under the Oregon Securities Law.

22 26. At no relevant time has any Respondent been licensed to transact business under the
23 Oregon Securities Law.

24 27. At no relevant time did Respondents disclose to DD that the Alpine stock was
25

26 ⁸ DD never received documentation of the shares of Alpine stock he believed himself to be purchasing with these funds.

1 | unregistered.

2 | 28. At no relevant time did Respondents disclose to DD that Respondents were not
3 | licensed to transact business under the Oregon Securities Law.

4 | 29. Respondents promoted and pursued all aspects of the foregoing scheme as a single
5 | enterprise.

6 | **CONCLUSIONS OF LAW**

7 | The Director CONCLUDES that:

8 | 30. The Director has jurisdiction over Respondents pursuant to ORS 59.235.

9 | 31. At all relevant times, Jackson had “control” over BJR and Alpine, as defined
10 | under ORS 59.015(2).

11 | 32. The shares of Alpine stock sold to DD are “securities”, as defined under ORS
12 | 59.015(19)(a).

13 | 33. BJR is a “broker-dealer”, as defined under ORS 59.015(1).

14 | 34. By transacting business in Oregon as a broker-dealer without being licensed
15 | under the Oregon Securities Law, BJR violated ORS 59.165.

16 | 35. Jackson procured or materially aided or abetted BJR in the foregoing violation
17 | of ORS 59.165.

18 | 36. By offering and selling unregistered securities in Oregon, Alpine and BJR
19 | violated ORS 59.055.

20 | 37. Jackson is also liable for the sale of unregistered securities in Oregon,
21 | pursuant to ORS 59.115(2).

22 | 38. By asserting on the BJR Website that BJR had more than 30 years of
23 | experience in the alternative asset management industry, BJR made an untrue statement
24 | of material fact, violating ORS 59.135(3).

25 | 39. By asserting on the BJR Website that BJR was a member of FINRA and
26 | SIPC, BJR made an untrue statement of material fact, violating ORS 59.135(2).

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387





1 40. By asserting on the Alpine Website that Alpine engaged in the Alpine
2 Services, Alpine made an untrue statement of material fact, violating ORS 59.135(2).

3 41. By asserting to DD that Alpine was raising \$9,000,000 to develop an
4 amusement park in San Diego, California, BJR made an untrue statement of material fact,
5 violating ORS 59.135(2).

6 42. By asserting to DD that Alpine would soon become a publicly traded
7 company, BJR made an untrue statement of material fact, violating ORS 59.135(2).

8 43. By asserting to DD that his investment funds would be maintained in an
9 escrow account, BJR made an untrue statement of material fact, violating ORS 59.135(2).

10 44. By asserting to DD that Alpine was negotiating a merger with Merlin, BJR
11 made an untrue statement of material fact, violating ORS 59.135(2).

12 45. By failing to disclose that Alpine's stock was unregistered, Alpine and BJR
13 omitted to state a material fact, violating ORS 59.135(2).

14 46. By failing to disclose that Respondents were not licensed to transact business
15 under Oregon Securities Law, BJR omitted to state a material fact, violating ORS
16 59.135(2).

17 47. Jackson procured or materially aided or abetted Alpine and BJR in the
18 foregoing violations of ORS 59.135(2).

19 48. Because Respondents promoted and pursued all aspects of the foregoing
20 scheme as a single enterprise, Respondents are fully complicit as principals, and jointly
21 and severally liable, for each of the foregoing violations of the Oregon Securities Law.

22 49. Because the Director has reason to believe that Respondents have engaged in
23 the foregoing violations of the Oregon Securities Law, the Director may issue an order to
24 Respondents to cease and desist from violations of the Oregon Securities Law pursuant to
25 ORS 59.245(4).

26 50. Because the Director has reason to believe that Respondents have engaged in

1 the foregoing violations of the Oregon Securities Law, the Director may deny
2 Respondents the use of exemptions pursuant to ORS 59.045(2).

3 51. In addition to all other penalties and enforcement provisions provided by law,
4 any person who violates, or who procures, aids or abets in the violation of the Oregon
5 Securities Law, or any rule or order of the Director shall be subject to a penalty of not
6 more than \$20,000 for every violation.

7 **ORDERS**

8 Now therefore, the Director issues the following ORDERS:

9 52. Pursuant to ORS 59.245(4), the Director hereby ORDERS Respondents to CEASE
10 AND DESIST from:

- 11 (1) Transacting securities business in the State of Oregon, in violation of ORS
12 59.165;
- 13 (2) Offering and selling securities that are not registered in the State of Oregon, in
14 violation of ORS 59.055;
- 15 (3) Offering and selling securities in violation of the anti-fraud provisions of ORS
16 59.135, and;
- 17 (4) Violating any provision of the Oregon Securities Law.

18 53. Pursuant to ORS 59.045(2), the Director hereby ORDERS that Respondents,
19 and any successor business entity or any business entity owned, operated, or controlled
20 by Respondents, are DENIED the use of exemptions that would otherwise be available to
21 them under ORS 59.025 and ORS 59.035, concerning securities and transactions exempt
22 from the registration requirements of the Oregon Securities Law.

23 54. Pursuant to ORS 59.995, the Director hereby ORDERS that Respondents pay
24 a CIVIL PENALTY, jointly and severally, totaling \$60,000 as follows:

- 25 (1) \$20,000 for violating ORS 59.165;
- 26 (2) \$20,000 for violating ORS 59.055; and

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

(3) \$20,000 for violating ORS 59.135.

55. Entry of this Order in no way limits or prevents further remedies, sanctions, or actions which may be available to the Director under Oregon law to enforce this Order, for violations of this Order, for conduct or actions of Respondents that are not covered by this Order, or against any party not covered by this Order.

SO ORDERED this 2nd day of January, 2018.

CAMERON C. SMITH, Acting Director
Department of Consumer and Business Services

/s/ David C. Tatman
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

NOTICE OF RIGHT TO JUDICIAL APPEAL

You are entitled to judicial review of this order in accordance with ORS 183.482. You may request judicial review by filing a petition with the Court of Appeals in Salem, Oregon, within 60 days from the date this order is served.

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

