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**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, DEPARTMENT OF)
FINANCE, SECURITIES BUREAU,)
Complainant,)
vs.)
SCOTT ALAN CAISSE,)
Respondent.)

Docket No. 2004-7-10

ORDER TO CEASE AND DESIST

Gavin M. Gee, Director of the Idaho Department of Finance (Director), being authorized and directed to administer and enforce the Idaho Securities Act, Idaho Code § 30-1401, *et seq.* (the Act), hereby alleges the following facts and sets forth the conclusions of law that constitute the basis for the issuance of an order requiring Scott Alan Caisse (the Respondent) to cease and desist from violating the Act.

RESPONDENT

1. At all times relevant hereto, the Respondent was an Idaho resident. The Respondent is a licensed real estate salesperson in Idaho, and his last known residence address is 7917 Arlington Drive, Nampa, Idaho 83687.

FACTUAL ALLEGATIONS

2. On or about June 28, 2004, the Respondent offered to sell to Investor T., an Idaho resident, an investment in “International Bank Debenture Forfeiting Programs.” The Respondent represented that Investor T’s investment monies would be placed in a “bank debenture trading program,” and would bring a guaranteed minimum return of 10% a month, with a more likely monthly return of 40%. The Respondent represented that there was no risk of loss of Investor T’s principal investment. The Respondent sought \$1,000,000 in funds from Investor T. to invest in such program. The Respondent represented that the Respondent and his partners would share 10% of the total investment amount as a commission for the sale of an investment in such program.

3. The Respondent has never been licensed by the Idaho Department of Finance (Department) to sell securities in the state of Idaho, nor has he been licensed to sell securities in any other state.

4. No security known as “International Bank Debenture Forfeiting Programs” has ever been registered with the Department under the Act.

CONCLUSIONS OF LAW AND FINDINGS OF VIOLATIONS

5. Idaho Code § 30-1402(12) defines a “security,” in pertinent part, as “any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization

certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, certificate of interest or participation in an oil, gas or mining title or lease or in payments out of production under such a title or lease, or, in general, any interest or instrument commonly known as a “security” or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

6. Based on the investment terms in the purported “International Bank Debenture Forfeiting Program” as represented by the Respondent, such investment program constitutes a security within the meaning of Idaho Code § 30-1402(12).

VIOLATION ONE: FAILURE TO REGISTER SECURITIES

7. The allegations and conclusions set forth in paragraphs 1 through 6 above are fully incorporated herein by this reference.

8. Idaho Code § 30-1416 provides that it is unlawful for any person to sell or to offer to sell any non-exempt security in this state, unless such security is registered with the Department or is a federal covered security.

9. The security offered or sold by the Respondent was not registered with the Department as required by Idaho Code § 30-1416 and was not exempt from such requirement or a federal covered security.

10. The Respondent’s failure to register such security constitutes a violation of Idaho Code § 30-1416.

*VIOLATION TWO: FAILURE TO REGISTER AS
A BROKER-DEALER OR SALESMAN*

11. The allegations and conclusions set forth in paragraphs 1 through 10 above are fully incorporated herein by this reference.

12. Idaho Code § 30-1406(1) provides that it is unlawful for any person to transact business in this state as a broker-dealer or salesman unless he is registered under the Act.

13. The Respondent's offer to sell a security to Investor T. while the Respondent was not registered as a broker-dealer or salesman under the Act, constitutes transacting business as a broker-dealer or salesman in violation of Idaho Code § 30-1406(1).

*VIOLATION THREE: VIOLATIONS OF THE ANTIFRAUD
PROVISIONS OF THE ACT / MISREPRESENTATIONS*

14. The allegations and conclusions set forth in paragraphs 1 through 13 above are fully incorporated herein by this reference.

15. Idaho Code § 30-1403(1) provides that it is unlawful, in connection with the offer, sale or purchase of any security, directly or indirectly, to employ any device, scheme, or artifice to defraud.

16. Idaho Code § 30-1403(2) provides that it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.

17. Idaho Code § 30-1403(3) provides that it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, to engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

18. The details of the security offered by the Respondent as set forth above, based on the Department's information and belief, appear to constitute a classic prime-bank scheme, a fraudulent investment scheme designed to permanently relieve investors of their investment

monies. The Respondent's representations that Investor T.'s investment monies would be placed in a "bank debenture trading program," bringing unrealistically high returns and no risk of loss, in conjunction with the fact that neither the Respondent nor the security he offered or sold were registered with the Department as required by law, support that conclusion.

19. The Respondent's representations made in connection with the offer, sale or purchase of a security constituting a fraudulent investment scheme, constitute violations of Idaho Code § 30-1403(1), (2), and (3).

20. Idaho Code § 30-1442(1) provides that whenever it appears to the Director that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule or order thereunder, may in his discretion order the person to cease and desist from the violation of any provision of the Act, rule or order thereunder.

ORDER

Based on the foregoing, the Director HEREBY FINDS that the Respondent has violated the Idaho Securities Act as set forth in Violations One through Three above. The Director further finds, pursuant to Idaho Code § 67-5247, that the reasonable possibility that the Respondent will continue to pursue the activities underlying such violations, poses an immediate danger to the safety and welfare of the public.

NOW, THEREFORE, IT IS HEREBY ORDERED that the Respondent CEASE AND DESIST from further violations of the Idaho Securities Act, including specifically selling or offering to sell unregistered securities in or from Idaho while not registered under the Act, transacting securities business in or from Idaho while not registered as a broker-dealer or securities salesman under the Act, and misrepresenting the terms of purported investments to Idaho investors or prospective investors. Based on the Director's finding of an immediate

danger to the safety and welfare of the public, as referenced above, pursuant to Idaho Code § 67-5247(2) and (3), this Order is EFFECTIVE WHEN ISSUED.

NOTICE OF PROCEDURAL RIGHTS

21. This is a final order of the Department. The Respondent may file a motion for reconsideration of this final order with fourteen (14) days of the service date of this order. The Department will dispose of the motion for reconsideration within twenty-one (21) days of its receipt, or the motion will be considered denied by operation of law. Idaho Code § 67-5246(4); Idaho Rules of Administrative Procedure of the Attorney General (IRAP) at IDAPA 04.11.01.740.02.a.

22. Pursuant to Idaho Code § § 67-5270 and 67- 5272, any party aggrieved by this final order may appeal to the district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho, or
- iv. The real property or personal property that was the subject of the agency action is located.

See IDAPA 04.11.01.740.02.b.

23. An appeal must be filed within twenty-eight (28) days of (a) the service date of this final order, (b) of an order denying a motion for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a motion for reconsideration, whichever is later. See

Idaho Code § 67-5273. The filing of an appeal to the district court does not itself stay the effectiveness or enforcement of the order under appeal. See IDAPA 04.11.01.740.02.c.

IT IS HEREBY ORDERED.

DATED this 4th day of August, 2004.

STATE OF IDAHO
DEPARTMENT OF FINANCE



Maury J. Chastain for
GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 4th day of August, 2004, I served a true and correct copy of the foregoing ORDER TO CEASE AND DESIST upon the following by the designated means:

Scott Alan Caisse
7917 Arlington Drive
Nampa, ID 83687

U.S. Mail, postage prepaid
 Certified mail

Debbi Budd