

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) S-03-058-03-SC01
Whether there has been a violation of the)
Business Opportunity Fraud Act of) STATEMENT OF CHARGES AND NOTICE
Washington by:) OF INTENT TO ENTER ORDER TO CEASE
) AND DESIST
)
Q-2Synergy, Inc.; Dudley Gee; their) Case Number S-03-058
agents and employees;)

Respondents

THE STATE OF WASHINGTON TO: Q-2Synergy, Inc.; Dudley Gee
Camas, Washington

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Q-2Synergy, Inc. and Dudley Gee have each violated the Business Opportunity Fraud Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 19.110.150 against each to cease and desist from such violations. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. PARTIES

1. Q-2Synergy, Inc. (“Q-2Synergy”) is a Nevada corporation with its principal place of business in Camas, Washington.
2. Dudley Gee (“Gee”), also known as Dudley Fino, is the president and CEO of Q-2Synergy, Inc.

1 II. NATURE OF THE OFFERING

2 3. Between April 2002 and December 2002, Gee caused advertisements to be placed
3 in the periodical "USA Today". These advertisements included statements such as: "\$48,000 is
4 what I earned in my first 60 days", "\$500,000 PROFIT 1st year in Business", "Corporate
5 Marketing Business", "Full Training Provided", etc. The advertisements included a toll-free
6 telephone number that interested readers could call to obtain more information.
7

8 4. By the end of December 2002, at least 5 people responded to these advertisements
9 and purchased a Corporate Business Package from Gee. All five were residents of states other
10 than the state of Washington. All five entered into contracts with Q-2Synergy and Gee that
11 contained similar provisions. These contracts referenced an address in Camas, Washington as
12 the main address of Q-2Synergy.

13 5. All five purchasers paid a fee ranging from \$10,000 to \$15,000 for the Corporate
14 Business Package.

15 6. The Corporate Business Package that Gee offered and sold was supposed to allow
16 the purchaser to set up a Small Business Center and act as an Independent Contractor/Marketing
17 Representative for Q-2Synergy. The purchaser would market and sell a financial education
18 package and would receive commissions for each sale from Q-2Synergy.
19

20 7. Upon payment of the agreed fee, the purchaser was to receive a Nevada
21 corporation with a corporate name chosen by the purchaser, including filing of all appropriate
22 documents and payment of all required fees.

23 8. The purchaser would also receive a program that would assist the purchaser in
24 advertising and selling the financial education package. This program included one full day of
25 training on the product and sales techniques, a training manual including sample newspaper

1 advertisements and scripts, product flyers and brochures, a 15-minute power point presentation
2 explaining the product, a personalized website, and other such products and services.

3 9. The contracts included a guarantee that if, after 90 days of effort to promote the
4 small business center, the purchaser was not operating on a profitable basis, Q-2Synergy would
5 aid the purchaser in reselling the purchaser's business.

6 10. At least three of the purchasers state that they did not receive the services or
7 materials as promised in the contract, including but not limited to a power point presentation,
8 product flyers and brochures, a personalized website, and a full day of training. At least one
9 purchaser states that she never received a Nevada corporation as promised.
10

11 III. MISREPRESENTATIONS AND OMISSIONS

12 11. Gee and Q-2Synergy failed to provide purchasers with a Disclosure Document
13 containing material information including, but not limited to, financial statements for Q-
14 2Synergy and the data on which projected sales or earnings estimates are based.

15 IV. REGISTRATION STATUS

16 12. Q-2Synergy is not currently registered to sell business opportunities as required
17 by the Business Opportunity Fraud Act of Washington and has not previously been so registered.
18

19 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:
20

21 CONCLUSIONS OF LAW

22 I.

23 The offer or sale of business opportunities described above constitutes the offer or sale
24 of a business opportunity as defined in RCW 19.110.020.

25 II.

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Securities Division
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1 The offer or sale of said business opportunities is in violation of RCW 19.110.050
2 because no registration for such offer or sale is on file with the Securities Administrator.

3 III.

4 The offer or sale of said business opportunities was made in violation of RCW
5 19.110.070 and RCW 19.110.120 because Respondents failed to provide prospective purchasers
6 the required Disclosure Document including financial statements and data on which projected
7 earnings are based.

8 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

9
10 Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities
11 Administrator intends to order that Q-2Synergy, Inc.; Dudley Gee; their agents and employees
12 each shall cease and desist from offering or selling business opportunities in any manner in
13 violation of RCW 19.110.050, RCW 19.110.070, and RCW 19.110.120, the registration section,
14 the Disclosure Document section, and the anti-fraud section of the Business Opportunity Fraud
15 Act of Washington respectively.

16 **AUTHORITY AND PROCEDURE**

17 This Order is entered pursuant to the provisions of RCW 19.110.150 and is subject to the
18 provisions of RCW 34.05. The Respondents, Q-2Synergy, Inc. and Dudley Gee may each make
19 a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND
20 AND OPPORTUNITY FOR HEARING accompanying this order.

21
22 If a respondent does not request a hearing, the Securities Administrator intends to adopt
23 the above Tentative Findings of Fact and Conclusions of Law as final and make the summary
24 order to cease and desist permanent as to that respondent.

25 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

1 Dated this 29 day of July, 2003

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4 Deborah Bortner
5 Securities Administrator

6 Approved by:

Presented by:

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9 Michael E. Stevenson
10 Chief of Enforcement

11 Susan H. Anderson
12 Financial Legal Examiner

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