

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF STATE  
BUREAU OF SECURITIES REGULATION  
25 CAPITOL STREET  
CONCORD, NH 03301

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FEB 28 2014

NEW HAMPSHIRE BUREAU  
OF SECURITIES REGULATION

**CONSENT ORDER**  
IN THE MATTER OF:

Sara Jennifer Russell  
Western Realty Investments, LLC

I-2013-000001

- I. For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, Sara Jennifer Russell (a.k.a. Jennifer Russell, hereinafter "Russell") and Western Realty Investments, LLC (hereinafter "Western Realty") have submitted an offer of settlement, which the State of New Hampshire, Department of State, Bureau of Securities Regulation (hereinafter referred to as the "Bureau") has determined to accept. As such, Russell and Western Realty and the Bureau consent to the entry of this Order.

**STATEMENT OF FACTS**

1. Russell is the incorporator and an owner, likely sole owner, of Western Realty Investments, Inc. ("Western Realty"). Western Realty's address of record is 22631 Pacific Coast Highway #673 in Malibu, California.
2. The Complainant is from Boscawen, New Hampshire. Complainant met Russell while she was visiting in Massachusetts.
3. On August 4, 2011, Complainant paid a two hundred dollar consultation fee for Russell to visit his residence in New Hampshire and explain her business to him. According to Complainant, Russell claimed to be a licensed realtor involved in flipping houses in Detroit. Complainant and Russell agreed that Complainant would provide the purchase money and Russell would bear the effort of selecting, purchasing, and then re-selling the properties, then they would split the profit.
4. In September of 2011, on instructions from Russell, the Complainant provided Russell with \$5,544.48 to purchase real property at 3061 Parker St. in Detroit, Michigan, Tax ID: 17/009047. After the money was provided, Complainant and Russell executed a

Partnership Agreement, expressing the profit-sharing agreement as described, wherein Russell and Complainant agreed that Complainant would be reimbursed the purchase price, Russell would be reimbursed for out-of-pocket expenses, and the remaining profits would be split evenly. The agreement further states that, since Complainant did not have his own LLC and Russell did, being Western Realty, the property would be taken solely in the name of Western Realty.

5. On October 6, 2011, a deed was recorded in the Wayne County Registry of Deeds dated September 23, 2011, wherein Fannie Mae grants the property at 3061 Parker St. to Western Realty. Complainant's name does not appear on the recorded deed. Russell later sold this property but failed to reimburse the Complainant for the purchase price or split profits.

### CONCLUSIONS OF LAW

1. Russell and Western Realty are persons under RSA 421-B:2, XVI
2. The profit-sharing agreement between Russell and Western Realty and Complainant are a security as defined by RSA 421-B:2, XX(a).
3. The agreement between Russell and Western Realty and Complainant are also investment contracts as defined by RSA 421-B:2, IX-c(a), within the definition of securities as defined by RSA 421-B:2, XX(a).
4. Pursuant to RSA 421-B:3, it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly: (a) To employ any device, scheme, or artifice to defraud; (b) 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; or (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person. Russell and Western Realty are in violation of this section for entering into the profit-sharing arrangement with Complainant and then withholding both material information and profits.

### Undertakings

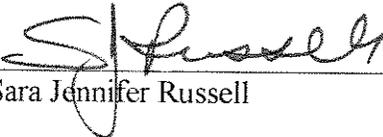
II. In view of the foregoing, the Respondent agrees to the following undertakings:

1. Russell and Western Realty agree that they voluntarily entered into this Consent Order and represent and aver that no employee or representative of the Bureau has made any promise, representation, or threat to induce their execution.
2. Russell and Western Realty agree to waive their right to an administrative hearing and any appeal therein under RSA 421-B.

3. Russell and Western Realty agree that this Consent Order is entered into for the purpose of resolving only the matter as described herein. This Consent Order shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct by Russell or Western Realty for which the Bureau has no knowledge of at the time of the final entry of this Consent Order.
4. Russell and Western Realty may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation contained in this Consent Order or create the impression that the Consent Order is without factual basis.
5. Russell and Western Realty and the Bureau understand that failure by either party to fully comply with the terms of this Consent Order may result in this Consent Order being vacated. If vacated, the Bureau may reinstate its enforcement action.
6. Pursuant to RSA 421-B:23, Russell and Western Realty agree to permanently cease and desist from violations of RSA 421-B and conducting any securities business in the State of New Hampshire.
7. Russell and Western Realty agree to pay six thousand seven hundred and fifty dollars (\$6,750) to Complainant in settlement of his claim regarding the property at 3061 Parker St. A certified cashier's check must be made out to Complainant and received by the Bureau within ten days of the execution of this Consent Order.
8. Considering the cooperation of Russell and Western Realty in this matter, the Bureau hereby waives all fines and costs to which it would be entitled under RSA 421-B:10, VI, and RSA 421-B:22, IV.

**So Consented.**

Executed this 18 day of Feb, 2014

  
\_\_\_\_\_  
Sara Jennifer Russell

Executed this 4<sup>th</sup> day of March, 2014

  
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STATE OF NEW HAMPSHIRE  
DEPARTMENT OF STATE  
BUREAU OF SECURITIES REGULATION  
Barry Glennon, Director