

## STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING Whether there has been a violation of the Securities Act of Washington by:

Airlink Markets, LLC,

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Respondent.

DFI No. S-23-3608-24-FO01 OAH No. 07-2024-DFI-00173

FINAL DECISION & ORDER AS TO AIRLINK MARKETS, LLC

THE STATE OF WASHINGTON TO:

Airlink Markets, LLC

THIS MATTER has come before the Director ("Director") of the Washington State Department of Financial Institutions ("Department") for entry of the Director's Final Decision & Order pursuant to RCW 34.05.464.

## 1.0 PROCEDURAL HISTORY

On March 6, 2024, the Director, through Securities Administrator William M. Beatty, entered a Summary Order to Suspend Registration and Notice of Intent to Revoke Registration, Deny Future Registrations, Impose a Fine, and Charge Costs, S-23-3608-24-TO01, ("Summary Order") against Respondent Airlink Markets, LLC. The Summary Order, together with a Notice of Opportunity for Hearing and an Application for Adjudicative Hearing, were served on Respondent Airlink Markets, LLC, by certified mail on March 7, 2024. Respondent Airlink Markets, LLC, on April 8, 2024, submitted an Application for Adjudicative Hearing. On July 9, 2024, the Department made a request to the Office of Administrative Hearings ("OAH") to assign an Administrative Law Judge ("ALJ") to schedule and conduct a hearing on the Summary Order.

On July 18, 2024, OAH issued a Notice of Prehearing Conference from ALJ TJ Martin. The Notice of Prehearing Conference contained the following language: "You must call in to the conference. If you fail to call in, the administrative law judge may hold you in default and dismiss your appeal. RCW 34.05.440(2)."

FINAL ORDER

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On August 1, 2024, the Department's representative, Assistant Attorney General Stephen Manning, attended the prehearing conference by telephone, but Respondent Airlink Markets, LLC, failed to appear or otherwise contact OAH. On August 7, 2024, ALJ TJ Martin issued an Order Dismissing Appeal against Respondent Airlink Markets, LLC, and dismissed Respondent's appeal.

Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondent Airlink Markets, LLC, had twenty (20) days from the date of service of the Order Dismissing Appeal to file a Petition for Review. Respondent Airlink Markets, LLC, did not file a Petition for Review during the statutory period.

## 2.0 <u>RECORD ON REVIEW</u>

The record presented to the Director for his review and for entry of a Final Decision & Order included the following:

- 2.1 Summary Order, with documentation of service;
- 2.2 Application for Adjudicative Hearing for Airlink Markets, LLC;
- 2.3 Request to OAH for Assignment of Administrative Law Judge;
- 2.4 Notice of Prehearing Conference, dated July 18, 2024, with certificate of service; and
- 2.5 Order Dismissing Appeal, dated August 7, 2024, with certificate of service.

## 3.0 FINDINGS OF FACT AND CONCLUSIONS OF LAW

Pursuant to RCW 34.05.461, the Director hereby adopts the Summary Order, which is attached hereto.

## 4.0 FINAL DECISION & ORDER

Based upon the foregoing, and the Director having considered the record and being otherwise fully advised, NOW, THEREFORE, IT IS HEREBY ORDERED:

- 4.1 Respondent Airlink Markets, LLC, shall be liable for and shall pay a fine of \$10,000.
- 4.2 Respondent Airlink Markets, LLC, shall be liable for and shall pay costs of \$500 for the investigation of their violations of the Securities Act of Washington, chapter 21.20. RCW.
- 4.3 Pursuant to RCW 21.20.110(1)(g), the broker-dealer license for Respondent Airlink Markets, LLC, is revoked.

4.4 Pursuant to RCW 21.20.110(1)(g), any future applications for broker-dealer or investment adviser registration that Respondent Airlink Markets, LLC, may file shall be denied.

## 5.0 <u>RECONSIDERATION</u>

Pursuant to RCW 34.05.470, the Respondent has the right to file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written notice specifying the date by which it will act on a petition.

# 6.0 <u>STAY OF ORDER</u>

The Director has determined not to consider a Petition to Stay the effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

## 7.0 JUDICIAL REVIEW

Respondent has the right to petition the superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

## 8.0 NON-COMPLIANCE WITH ORDER

If Respondent does not comply with the terms of this order, the Department may seek its enforcement by the Office of Attorney General to include the collection of fines and fees imposed herein. Failure to comply with this Final Decision & Order may also prompt additional actions against Respondent by the Department as permitted by the Securities Act of Washington, Chapter 21.20 RCW, for failure to comply with a lawful order of the Department.

9.0	<b>SERVICE</b>

For purposes of filing a Petition for Reconsideration or a Petition for Judicial Review, service is effective upon deposit of this order in the U.S. mail with a declaration of service attached hereto.

DATED this 28th day of October 2024.

STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS

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Charles E. Clark, Director

Washington State Department of Financial Institutions

# CERTIFICATE OF SERVICE 1 I, <u>Seanette Baluyet</u>, certify that I personally delivered or mailed a copy of the Final Decision and Order to parties named below at their respective addresses, postage pre-paid, on October 28, 2024. 2 3 Jeanette Baluyet Geanette Baluyet, Executive Assistant 4 5 Washington State Department of Financial Institutions 6 Mailed to the following: 7 Airlink Markets, LLC Stephen Manning, Esq. 27112 SE Grand Ridge Drive Assistant Attorney General 8 Issaquah, WA 98029 Office of the Attorney General PO Box 40100 9 Olympia, WA 98504-0100 Airlink Markets, LLC 10 166 Triple Crown Ct. William M. Beatty, Esq. Milton, GA 30004 Washington Department of Financial Institutions 11 Securities Division 150 Israel Rd SW Airlink Markets, LLC Tumwater, WA 98501 12 1400 112th Ave SE, Suite 100 Bellevue, WA 98004 13 14 15 16 17 18 19 20 21 22

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# STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

IN THE MATTER OF DETERMINING Whether there has been a violation of the Securities Act of Washington by:

Airlink Markets, LLC,

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Respondent.

Order No. S-23-3608-24-TO01

SUMMARY ORDER TO SUSPEND REGISTRATION AND NOTICE OF INTENT TO REVOKE REGISTRATION, DENY FUTURE REGISTRATIONS, IMPOSE A FINE, AND CHARGE COSTS

THE STATE OF WASHINGTON TO:

Airlink Markets, LLC (CRD 322261)

## STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that an officer, director, partner, or person performing similar functions for Respondent Airlink Markets, LLC has engaged in dishonest and unethical business practices in the securities industry, and that those practices justify the suspension of Airlink Markets, LLC's broker-dealer registration under RCW 20.20.110(1)(g). The Securities Administrator further has reason to believe that those practices justify the entry of an order of the Securities Administrator to revoke Airlink Markets, LLC's broker-dealer registration, deny any future securities registration applications pursuant to RCW 21.20.110(1)(g), and to impose fines and costs pursuant to RCW 21.20.110(1) and (7). The Securities Administrator finds that delay in suspending the Respondent's registration would be hazardous to the public interest and is necessary or appropriate for the protection of investors and that a Summary Order should be entered immediately. The Securities Administrator finds as follows:

## TENTATIVE FINDINGS OF FACT

## Respondent

SUMMARY ORDER TO SUSPEND REGISTRATION AND NOTICE OF INTENT TO REVOKE REGISTRATION, DENY FUTURE REGISTRATIONS, IMPOSE A FINE, AND CHARGE COSTS

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Airlink Markets, LLC ("Airlink Markets") is a Delaware limited liability company formed on May 17, 2022. Airlink Markets has a CRD Number of 322261 and maintains a principal place of business in Bellevue, Washington. Airlink Markets has been a registered broker-dealer with the Securities Division since March 10, 2023.

### **Related Parties**

- 2. Airlink Holding, LLC ("Airlink Holding") is a Delaware limited liability company formed on May 17, 2022. Airlink Holding is the sole member of Airlink Markets.
- iCap Enterprises, Inc. ("iCap") is a Washington corporation formed on August 9, 2007. iCap 3. is the sole member of Airlink Holding. iCap filed for bankruptcy on September 23, 2024.
  - 4. Chris Christensen ("Christensen") is a Washington resident and the sole owner of iCap.

#### **Nature of the Conduct**

- 5. From at least 2018 to 2023, iCap was purportedly in the business of investing in real estate opportunities. This business model, however, lacked a regular source of cash flow. Instead of funding its business activities through various forms of equity, iCap raised capital almost exclusively through the issuance of debt instruments that required monthly interest payments.
- As the company's business performance suffered, it increasingly relied on new investors to cover its operating expenses and investor interest expenses. In an effort to attract new investors, iCap's management repeatedly disseminated false and misleading financial information through quarterly newsletters and investment calls. The company also failed to put investor funds in the promised real estate investments. iCap filed for bankruptcy after it stopped being able to service its ongoing interest payments without raising additional liquidity.

1	7. iCap has conducted an internal investigation into its business failure during the bankruptcy
2	proceedings. The company concluded that it operated as a Ponzi scheme prior to filing for bankruptcy.
3	8. Christensen is the founder of iCap, and between 2018 and 2023, he served as its CEO. He
4	remains the company's sole shareholder.
5	Emergency
6	9. The Securities Administrator finds that the continued registration of Airlink Markets as a
7	broker-dealer presents a threat to the investing public and that a Summary Order to suspend that registration
8	is in the public interest and necessary for the protection of the investing public.
9	Continuing Investigation
10	10. The Securities Division is continuing to investigate the matter alleged herein to determine the
11	full extent of the violations of the Securities Act that have occurred in this matter.
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13	Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:
14	CONCLUSIONS OF LAW
15	1. Under RCW 20.20.110(1), both iCap Enterprises, Inc. and Chris Christensen are officers,
16	directors, partners, or persons performing similar functions for Respondent Airlink Markets, LLC.
17	2. iCap Enterprises, Inc. and Chris Christensen engaged in dishonest and unethical business
18	practices in the securities industry by operating a Ponzi scheme. Such conduct is grounds for the suspension
19	of Respondent Airlink Markets, LLC's broker-dealer registration and for the imposition of a fine pursuant to
20	RCW 20.20.110(1)(g).
21	3. iCap Enterprises, Inc. engaged in dishonest and unethical business practices in the securities
22	industry when it made false and misleading statements to investors. Such conduct is grounds for the
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	CUMMARY ORDER TO CUCREND DECICED ATION

suspension of Respondent Airlink Markets, LLC's broker-dealer registration and for the imposition of a fine pursuant to RCW 20.20.110(1)(g). **SUMMARY ORDER** Based upon the foregoing and finding it in the public interest, IT IS HEREBY SUMMARILY ORDERED that the broker-dealer registration for Respondent Airlink Markets, LLC is summarily suspended pending a final determination in this proceeding. NOTICE OF INTENT TO REVOKE REGISTRATION Pursuant to RCW 21.20.110(1)(g) and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that the Respondent Airlink Markets, LLC's broker-dealer license be revoked. NOTICE OF INTENT TO DENY FUTURE REGISTRATIONS Pursuant to RCW 21.20.110(1)(g) and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to deny any future applications for broker-dealer or investment adviser registration that Respondent Airlink Markets may file in the future. NOTICE OF INTENT TO IMPOSE FINES Pursuant to RCW 21.20.110(1)(g) and RCW 21.20.395 and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondent Airlink Markets, LLC be liable for and pay a fine of \$10,000. NOTICE OF INTENT TO CHARGE COSTS Pursuant to RCW 21.20.110(7) and RCW 21.20.390 and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondent Airlink Markets, LLC shall pay the costs, fees, and other expenses incurred in the administrative investigation and hearing of this matter, in an amount not less than \$500.

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#### **AUTHORITY AND PROCEDURE**

This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. The Respondent Airlink Markets, LLC may make a written request for a hearing as set forth in the Notice of Opportunity for Hearing accompanying this Order.

If the Respondent does not make a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final as to the Respondent and, as described above, enter a permanent order to revoke its registration and bar future registrations, and impose fines and costs sought.

## WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

SIGNED and ENTERED this 6th day of March 2024.



William M. Beatty Securities Administrator

Presented by:

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/s/

Brett Werenski Financial Legal Examiner

Approved by:

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/s/

Brian J. Guerard

Chief of Enforcement

SUMMARY ORDER TO SUSPEND REGISTRATION AND NOTICE OF INTENT TO REVOKE REGISTRATION, DENY FUTURE REGISTRATIONS, IMPOSE A FINE, AND CHARGE COSTS DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division P.O. Box 41200 Olympia, WA 98504-1200 360-902-8760

SUMMARY ORDER TO SUSPEND REGISTRATION AND NOTICE OF INTENT TO REVOKE REGISTRATION, DENY FUTURE REGISTRATIONS, IMPOSE A FINE, AND CHARGE COSTS