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SECURITIES COMMISSIONER FOR
STATE OF DELAWARE
SEP 25 2013

**BEFORE THE INVESTOR PROTECTION DIRECTOR
OF THE STATE OF DELAWARE**

IN THE MATTER OF:)
)
)
ANNA MARIE WATKINS,)
)
Respondent)

Case No. 11-4-2

ADMINISTRATIVE CONSENT ORDER

WHEREAS, the Investor Protection Unit (the "IPU") filed an administrative complaint (the "Complaint") pursuant to the Delaware Securities Act, 6 *Del. C.* § 73-101, *et seq.* (the "Act") alleging two counts of securities fraud against Respondent Anna Marie Watkins ("Respondent") arising from an October 19, 2010 sale of securities to Ms. _____ in _____, Delaware;

WHEREAS, Respondent admits the jurisdiction of the Investor Protection Director for the State of Delaware (the "Director") and consents to the entry of this Administrative Consent Order (the "Order"), to include the Findings of Fact and Conclusions of Law herein; and

WHEREAS, pursuant to 6 *Del. C.* § 73-501 and § 225A of the Rules and Regulations Pursuant to the Delaware Securities Act (the "Rules"), Deputy Attorney General Jason W. Staib has been designated to act as the Hearing Officer in this matter; and

WHEREAS, Respondent elects to waive permanently any right to a hearing and appeal under the Act with respect to this Order;

NOW, THEREFORE, the Director, as administrator of the Act, hereby enters this Order:

PARTIES

1. The IPU is a unit within the Department of Justice headed by the Director under the Attorney General pursuant to the Act. The Director is charged under 6 *Del. C.* § 73-102 with enforcement of the Act. The jurisdiction of the Director is not disputed.

2. At all relevant times, Respondent Anna Marie Watkins was a resident of Delaware and a principal of Pipedreams, LLC, a limited liability company organized under the laws of Delaware, the principal asset of which was an AmericInn motel located at 875 Pulaski Highway in Bear, Delaware.

3. Non-party _____ is a Delaware resident and holder of debentures issued by Pipedreams, LLC. The outstanding principal on the Pipedreams, LLC debentures held by Ms. _____ is \$471,500.

4. On September 7, 2010, Pipedreams, LLC entered into an Exclusive Listing Contract with Hunter Realty Associates, Inc. to list, to offer for sale, and to endeavor to sell the AmericInn located at 875 Pulaski Highway in Bear, Delaware. Respondent signed the Exclusive Listing Contract on behalf of Pipedreams, LLC and identified herself as the “owner.”

5. On or about October 19, 2010, Respondent Watkins visited Ms. _____ at her home in _____, Delaware. The purpose of the meeting was to update Ms. _____ on the status of her debentures issued by Pipedreams, LLC, and to extend the maturity date of the debentures. Ms. _____ renewed the debentures during the October 19, 2010 meeting.

6. At the time of the October 19, 2010 meeting, Respondent Watkins knew that Pipedreams, LLC was actively trying to sell its principal income-producing asset, and failed to disclose this material information to Ms. _____ despite being under a duty to do so.

7. In early December 2010, Pipedreams, LLC entered into a purchase and sale agreement for the sale of the Bear AmericInn.

8. In December 2010, Respondent Watkins and her husband advised Ms. that she would not be receiving any interest or principal payments on her \$471,500 investment in Pipedreams, LLC.

9. Pipedreams, LLC sold the Bear AmericInn in July 2011. Ms. received no payments on the outstanding principal amount of \$471,500.

Applicable Law

10. The purpose of the Act “is to prevent the public from being victimized by unscrupulous or overreaching broker-dealers, investment advisers or agents in the context of selling securities or giving investment advice, as well as to remedy any harm caused by securities law violations.” 6 *Del. C.* § 73-101(b).

11. The Act defines a “security” as, among other things, “any ... debenture.” 6 *Del. C.* § 73-103(20).

12. Under the Act, “sale” or “sell” includes “every contract of sale of, contract to sell or disposition of a security or interest in a security for value.” 6 *Del. C.* § 73-103(17).

13. Section 73-201 of the Act provides that it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly: (1) To employ any device, scheme or artifice to defraud; (2) 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 (3) To engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

Conclusions of Law

15. The debentures issued by Pipedreams, LLC held by Ms. are securities for purposes of the Act.

16. Ms. _____ October 19, 2010 renewal of the debentures issued by Pipedreams, LLC constitutes a sale or purchase of securities for purposes of the Act.

17. As a result of Respondent's conduct at the October 19, 2010 meeting regarding the renewal of the Pipedreams, LLC debentures, Respondent willfully¹ violated 6 *Del. C.* § 73-201(2) and 6 *Del. C.* § 73-201(3), which provide that it is unlawful "[t]o 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 "to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any person" in connection with the offer or sale of any security.

18. The IPU's allegations with respect to the October 19, 2010 renewal of the Milford Lodging, LLC debentures are dismissed with prejudice.

Undertakings

19. Within five (5) business days of the entry of this Order, Respondent agrees to deliver to the Investor Protection Unit, Delaware Department of Justice, 820 North French Street, 5th Floor, Wilmington, Delaware 19801, the sum of ten thousand dollars (\$10,000) as restitution to Ms. _____, such sum to constitute a liquidated claim (the "Payment"). The Payment shall be made by United States postal money order, certified check, bank cashier's check or bank money order, made payable to _____."

¹ A willful violation of the securities laws means merely "that the person charged with the duty knows what he is doing." *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Id.* (quoting *Gearhart & Otis, Inc. v. SEC*, 348 F.2d 798, 803 (D.C. Cir. 1965)).

20. Respondent agrees that any failure by Respondent to make the Payment to the IPU when due shall be considered a violation of this Order authorizing the IPU to apply to the Court of Chancery to enforce compliance with this Order pursuant to 6 *Del. C.* § 73-602.

21. In the event Respondent makes future offers or sales of securities in the State of Delaware, Respondent shall comply with the applicable registration provisions of the Act and the Rules. Respondent shall disclose the existence and content of this Consent Order to any prospective employers (if Respondent seeks employment in the securities industry) and to any prospective purchaser of any security offered for sale by Respondent (irrespective of whether Respondent is employed in the securities industry).

22. Within five (5) business days of the receipt of Respondent's Payment, the IPU shall dismiss the Complaint with prejudice and close the investigation.

23. Any notice to Respondent shall be served upon Respondent's undersigned counsel.

[signature page to follow]

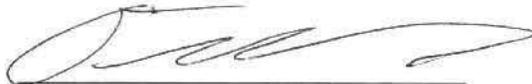
Dated: September 17, 2013

/s/ William E. Green, Jr.
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SO ORDERED

By:



Owen P. Lefkon
Investor Protection Director

9/25/13