BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the matter of,	SUMMARY ORDER TO CEASE AND DESIST AND FOR REVOCATION
BECKER, JACKSON & REED LLC, ALPINE FAMILY ENTERTAINMENT PARKS 1, LLC (a/k/a ALPINE PARKS), ALPINE ENTERTAINMENT, INC., JUDITH JACKSON, EUGENE HAGEN, and JOHNATHAN PLIMPTON,	NOTICE OF ORDER FOR RESTITUTION AND CIVIL PENALTIES
Respondents.	DFI Case No. S-236575 (EX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities ("Division"), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 ("Ch. 551") and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondents

1. BECKER, JACKSON & REED LLC, ("BJR") is a Florida limited liability company organized on March 19, 2014, with last known addresses of 701 5th Avenue, Suite 4200, Seattle, WA 98104 and 5323 Millenia Lakes Blvd., Suite 300, Orlando, FL 32839. At all times material, Judith Jackson was a controlling person of BJR.

2. ALPINE FAMILY ENTERTAINMENT PARKS 1 LLC, a/k/a ALPINE PARKS ("Alpine LLC") is a Delaware limited liability company organized on February 19, 2015, with a principal office address of Vancouver Park Place, 666 Burrard Street,

Vancouver, B.C., V6C 3P6, Canada. Alpine LLC is also located at 333 H. Street, Suite 5000, Chula Vista, CA 91910. Alpine LLC is a manager-managed limited liability company.

3. ALPINE ENTERTAINMENT, INC., a Canada corporation, ("Alpine Inc.") is the managing member of Alpine LLC. At all times material, Judith Jackson was a controlling person of Alpine Inc.

4. JUDITH JACKSON ("Jackson") is an adult female who was BJR's sole member and 100% owner. The address listed on the Articles of Organization filed with the Florida Secretary of State's office is 2136 NE 63 Street, Fort Lauderdale, FL 33308.

5. At all times material, Jackson was a controlling person of BJR, Alpine LLC and Alpine Inc. Jackson's last known address is 4024 Adams Street, Hollywood FL 33021.

6. On or about February 19, 2015, Jackson organized Alpine LLC as a Delaware limited liability company. Alpine LLC's corporate registration documents indicate the initial managing member of Alpine LLC was Judith Jackson.

7. EUGENE HAGEN ("Hagen") is an adult male employed by BJR as a senior wealth advisor and alternative investment manager, with a last known business address of 701 5th Avenue, Suite 4200, Seattle, WA 98104 and 5323 Millenia Lakes Blvd., Suite 300, Orlando, FL 32839.

8. JOHNATHAN PLIMPTON ("Plimpton") is an adult male employed by BJR as its chief compliance officer, with a last known business address of 701 5th Avenue, Suite 4200, Seattle, WA 98104 and 5323 Millenia Lakes Blvd., Suite 300, Orlando, FL 32839.

Conduct

9. Documents posted on Alpine Inc.'s website, alpineparks.homestead.com, state Alpine LLC was formed for the purpose of planning, designing, developing, managing, owning and operating an ice skating, hockey, water and sports oriented outdoor family entertainment park in San Diego, California.

10. The Alpine Inc. website contains a confidential offering memorandum setting forth the terms under which potential investors can purchase shares of Alpine LLC. The website also contains subscription documents to purchase shares of Alpine LLC stock, a business plan for Alpine LLC, and a limited liability company agreement.

11. The Alpine Inc. website contains statements encouraging potential investors to purchase shares of Alpine LLC: "We believe that Alpine Family Entertainment Parks 1,

LLC provides an extraordinary opportunity for financial gains in an industry that has grown over fifty percent over the last ten years, outpacing the growth rate of the S&P 500. We've structured a return whose potentials include ongoing profit sharing beyond the return on investment for the life of the properties."

12. The Alpine LLC business plan found on the Alpine Inc. website states: "We expect that approximately 89% of the money you invest will be used in the acquisition and improvement of the property, while the remaining proceeds will be used to pay expenses and fees related to the offering."

13. BJR's website, beckerjacksonreed.homestead.com, states that BJR has "more than 30 years of experience as an alternative investment manager." BJR "connects its investors to opportunities that are not readily available through mainstream investment products." BJR's "alternative investment solutions tend to be less correlated to and have less volatility than traditional asset classes" because BJR's "alternative investment strategies focus on hard assets such as equipment and other direct investing opportunities."

14. BJR's website states that BJR is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investment Protection Corporation ("SIPC") and serves as a dealer-manager for an affiliated company called Becker Jackson & Reed Investment Corporation.

15. BJR has never been a member of FINRA or SIPC. BJR's original address filed with the Florida Secretary of State's office, 2136 NE 63 Street, Fort Lauderdale, FL 33308, is false. That address belongs to an individual who has never heard of BJR and did not authorize BJR to use his residence as a business address. Further, contrary to BJR's website which claims BJR has more than 30 years of investment experience, BJR has been in existence for only four years.

16. The Division's investigation found no evidence of any Alpine business activities directed toward planning, designing, developing, managing, owning and operating an ice skating, hockey, water and sports oriented outdoor family entertainment park in San Diego, California, except for the creation of the Alpine Parks website and the acquisition of investment funds.

17. On or around March 3, 2015, Jackson established a checking account in BJR's name at Bank of America.

18. The Division's investigation of BJR's bank account disclosed the account acquired funds from multiple investors totaling approximately $1,000,000 between March 2015 and May 2017. The vast majority of the funds in BJR's bank account, $800,000, were wired to Mexican bank accounts controlled by three Mexican citizens. The majority of

the remaining funds were used to perpetuate the investment scheme, such as Internet advertising, telephone services, and virtual offices. Also, some of the funds were transferred to a secondary BJR bank account and then transferred to the Mexican bank accounts.

19. None of the funds in the BJR bank account were transferred to Alpine LLC or used to plan, design, develop or construct an entertainment park in San Diego, California.

20. During May or June of 2016, Wisconsin resident JP received an unsolicited phone call from an individual who identified himself as Eugene Hagen of BJR. At the time, JP was 71 years old and retired from his profession as a U.S. history teacher and coach.

21. During the conversation, Hagen told JP that Alpine was raising $9 million at $1.00 per share to get the Alpine Park project off the ground. The $9 million to be raised would be combined with $6 million the "originators" had already contributed to the project. Hagen said he had personally invested in the Alpine LLC project.

22. JP reviewed the Alpine Inc. website and found it to be professional and informative. He received letters, brochures, and other literature describing the investment opportunity.

23. Based on Hagen's representations to him, and the information he found on the Alpine Inc. website, JP invested a total of $18,000.00 by writing 4 checks to BJR as follows:

    - Check #1998 dated 4/7/16 in the amount of $3,000
    - Check #2052 dated 11/14/16 in the amount of $3,000
    - Check #2058 dated 12/15/16 in the amount of $6,000
    - Check #2096 dated 5/18/17 in the amount of $6,000

24. In the memo line of every check, JP wrote "Alpine Parks." JP mailed the checks to Alpine Inc. at 333 H. Street, Suite 5000, Chula Vista, CA 91910.

25. After each investment in April, November and December of 2016, JP received Alpine LLC certificates showing he held 3,000, 3,000 and 6,000 "Membership Interest(s)" in Alpine LLC. JP did not receive a certificate for his last investment in May of 2017.

26. At some point, the agent handling his account at Alpine LLC changed from Hagen to Plimpton. Plimpton told JP he had purchased a lot of Alpine LLC shares himself.

27. JP's funds were deposited into BJR's checking account at Bank of America. None of JP's funds were transferred to Alpine LLC or used to develop an entertainment park in San Diego or anywhere else.

28. On or about December 1, 2016, JP received correspondence from Alpine LLC informing him that Alpine LLC was negotiating with a publicly traded company that was interested in acquiring the company. Under the merger, class A preferred shareholders would receive a 2:1 stock split, doubling the value of their holdings.

29. On or about May 8, 2017, JP received a Letter of Election and Transmittal regarding the merger, announcing that Merlin Entertainments PLC, a United Kingdom public limited company, had agreed to purchase Alpine LLC. According to the letter, JP's shares had doubled in value as a result of the merger.

30. Merlin Entertainments PLC has never engaged in negotiations with Alpine LLC or any representative of Alpine LLC regarding a merger or investment in the company.

31. The membership interests in Alpine LLC sold to JP were securities as defined by Wis. Stat. § 551.102(28).

32. The Alpine LLC securities have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

33. At no time was BJR registered with the Division in any capacity, nor was it registered with the SEC or FINRA.

34. At no time was Alpine LLC registered with the Division in any capacity, nor was it registered with the SEC or FINRA.

35. At no time was Alpine Inc. registered with the Division in any capacity, nor was it registered with the SEC or FINRA.

36. At no time was Judith Jackson registered with the Division in any capacity, nor was she registered with the SEC or FINRA.

37. At no time was Eugene Hagen registered with the Division in any capacity, nor was he registered with the SEC or FINRA.

38. At no time was Johnathan Plimpton registered with the Division in any capacity, nor was he registered with the SEC or FINRA.

B. Conclusions of Law

<u>Legal Authority and Jurisdiction</u>

39. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Wis. Stats. Ch. 551 and the rules and orders promulgated thereunder.

40. BJR transacted business as a broker-dealer as defined under Wis. Stat. § 555.102(4) and DFI Sec. 1.02(5), Wis. Admin. Code.

41. Alpine LLC and Alpine, Inc., as Alpine LLC's managing member, were issuers of securities as defined by Wis. Stat. § 551.102(17).

42. Hagen transacted business as an agent of a broker-dealer, BJR, as defined under Wis. Stat. § 551.102(2) and DFI Sec. 1.02(5), Wis. Admin. Code.

43. Plimpton transacted business as an agent of a broker-dealer, BJR, as defined under Wis. Stat. § 551.102(2) and DFI Sec. 1.02(5), Wis. Admin. Code.

44. Pursuant to Wis. Stat. § 551.401(1), it is unlawful for a person to transact business in Wisconsin as a broker-dealer unless the person is registered under Ch. 551 as a broker-dealer or is exempt from registration as a broker-dealer under Wis. Stat. § 551.401(2).

45. Pursuant to Wis. Stat. § 551.402(1), it is unlawful for a person to transact business in Wisconsin as the agent of a broker-dealer unless the person is registered under Ch. 551 as an agent or is exempt from registration as an agent under Wis. Stat. § 551.402(2).

46. Pursuant to Wis. Stat. § 551.301, it is unlawful for a person to offer or sell a security in this state unless the security is registered in this state or is an exempt or covered security.

47. Pursuant to Wis. Stat. § 551.501(2), it is unlawful for a person, in connection with the offer, sale or purchase of a 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 light of the circumstances under which they were made, not misleading.

48. Pursuant to Wis. Stat. § 551.501(3), it is unlawful for a person, in connection with the offer, sale or purchase of a security, directly or indirectly, to engage in an act, practice, or course of business that operates as a fraud or deceit upon another person.

Violations

49. Through the conduct described above, BJR violated Wis. Stat. § 551.401(1) by transacting business as a broker-dealer in Wisconsin without being registered as a broker-dealer under Ch. 551 or exempted from registration as a broker-dealer under Wis. Stat. § 551.401(2).

50. Through the conduct described above, Hagen and Plimpton violated Wis. Stat. § 551.402(1) by transacting business as agents of a broker-dealer in Wisconsin without being registered as agents under Ch. 551 or exempted from registration as agents under Wis. Stat. § 551.402(2).

51. Through the conduct described above, all Respondents violated Wis. Stat. § 551.301 by offering and selling unregistered securities in this state to a Wisconsin investor.

52. Through the conduct described above, all Respondents violated Wis. Stat. § 551.501(2) by, in connection with the offer and sale of securities, directly or indirectly, making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including by making untrue statements about how investor funds would be used and the existence of a fictitious entertainment park project.

53. Through the conduct described above, all Respondents violated Wis. Stat. § 551.501(3) by conducting their businesses, in connection with the offer and sale of securities, so as to operate a fraud and deceit upon JP.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stat. § 551.604, to issue the following orders and notices:

A. Summary Orders issued pursuant to Wis. Stat. § 551.604(2)

(a) IT IS ORDERED that RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Ch. 551 or successor statute, pursuant to Wis. Stat. §§ 551.604(1)(a) and (2).

(b) IT IS FURTHER ORDERED that all exemptions from registration set forth at Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by any of the RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(b) and (2).

(c) IT IS FURTHER ORDERED that RESPONDENTS, their successors, affiliates, controlling persons, officers, agents, servants, employees and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of any RESPONDENT, are prohibited from violating Wis. Stat. § 551.501 or successor statute.

(d) PLEASE TAKE NOTICE that the summary orders of the Administrator are effective as of the issuance of this order, pursuant to Wis. Stat. § 551.604(2). You are advised that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

B. Proposed Orders

(e) IT IS PROPOSED that an order be issued against BECKER, JACKSON & REED LLC, ALPINE FAMILY ENTERTAINMENT PARKS 1 LLC, ALPINE ENTERTAINMENT INC., JUDITH JACKSON, EUGENE HAGEN and JOHNATHAN PLIMPTON jointly and severally to pay restitution to JP in the amount of **$18,000**, with interest on such amount at the legal rate under Wis. Stat. § 138.04, starting from the date of each sale to JP through the date of satisfaction, pursuant to Wis. Stat. § 551.604(4m).

(f) IT IS FURTHER PROPOSED that an order be issued imposing a civil penalty against BECKER, JACKSON & REED LLC, ALPINE FAMILY ENTERTAINMENT PARKS 1 LLC, ALPINE ENTERTAINMENT INC., JUDITH JACKSON, EUGENE HAGEN and JOHNATHAN PLIMPTON jointly and severally in the form of an administrative assessment totaling **$50,000** for the many violations committed against JP , pursuant to Wis. Stat. § 551.604(4). Such payment shall be made payable to the Wisconsin Department of Financial Institutions and shall be remitted to the Division no later than 30 calendar days from the date of issuance of this Order, or if a petition for a hearing is filed as provided under Wis. Stat. § 551.604(2), by a date to be fixed by a final order.

C. Service of Order

(g) IT IS FURTHER ORDERED that this order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code § DFI-Sec. 8.06. This order shall also be served upon the office of the administrator pursuant to Wis. Stat. § 551.611.

(h) PLEASE TAKE NOTICE that the date of the service of this order is the date it is placed in the mail.

D. Notice of Hearing Rights

(i) PLEASE TAKE NOTICE that you have the right to request a hearing. Every request for a hearing shall be in the form of a petition with the Division, pursuant to Wis. Admin. Code § DFI-Sec. 8.01. A petition for a hearing to review the order shall:

(1) Plainly admit or deny each specific allegation, finding or conclusion in the order and incorporated papers. However, if the petitioner lacks sufficient knowledge or information to permit an admission or denial, the petition shall so state, and that statement shall have the effect of a denial; and

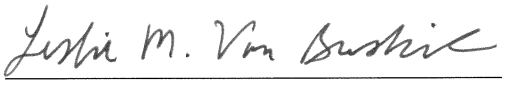
(2) State all affirmative defenses. Affirmative defenses not raised in the request for hearing may be deemed waived.

(j) PLEASE TAKE FURTHER NOTICE that, within 15 days after receipt of a request in a record from you, the matter will be scheduled for a hearing or other public administrative proceedings, pursuant to Wis. Stats. §§ 551.604(2) and (3).

(k) PLEASE TAKE FURTHER NOTICE that if you do not request a hearing and none is ordered by the Administrator within 30 days after the date of service of this order, the findings of fact, conclusions of law, and summary and proposed orders, including the imposition of civil penalty and restitution and interest, become final as by operation of law, pursuant to Wis. Stat. §551.604(2).

EXECUTED at Madison, Wisconsin, this 27th day of February, 2018.

(SEAL)



Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703

State of Wisconsin

Department of Financial Institutions

Scott Walker, **Governor** | Jay Risch, **Secretary**

AFFIDAVIT OF SERVICE

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon the Respondents at the Respondents' last known addresses:

   i. SUMMARY ORDER TO CEASE AND DESIST AND FOR REVOCATION AND NOTICE OF ORDER FOR RESTITUTION AND CIVIL PENALTIES, DFI Case No. S-236575 (EX); and

   ii. A copy of this Affidavit of Service.

3. I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities, pursuant to Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi
KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 27th day of February, 2018.

Robin Jacobs (Notary Seal)

ROBIN S. JACOBS NOTARY PUBLIC STATE OF WISCONSIN

Notary Public, State of Wisconsin

My commission is permanent.