

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

In the Matter of Blue Investments, LLC,)	CEASE AND DESIST ORDER,
an Arizona limited liability company, and)	ORDER FOR CIVIL PENALTY,
Travis Richey,)	ORDER FOR RESCISSION,
)	AND
Respondents.)	NOTICE OF RIGHT TO
)	REQUEST A HEARING

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THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA
TO: BLUE INVESTMENTS, LLC, an Arizona limited liability company, and TRAVIS
RICHEY, RESPONDENTS.

The North Dakota Securities Commissioner has a reasonable basis to believe that the Respondents have engaged in, are engaging in, or are about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code (N.D.C.C.). It is necessary and appropriate in the public interest and for the protection of investors to restrain these acts, practices, or transactions of the Respondents.

1. Respondent, Blue Investments, LLC, (hereinafter, "Blue") is an Arizona limited liability company operated and controlled by Respondent, Travis Richey, (hereinafter, "Richey") with its principal place of business at 2425 E. Camelback Road, Suite 950, Phoenix, Arizona. Blue is not now and has never been registered as an issuer-dealer or broker-dealer in North Dakota.
2. Respondent Richey is an Arizona resident who, for all times relevant to this matter, operated and controlled Blue as Managing Member. Respondent Richey is not

now and has never been registered as an agent with the North Dakota Securities Department.

3. On or about December 17, 2007, Respondents, Blue and Richey, engaged in the offering of an investment contract in the form of a Promissory Note issued by Respondent Blue, to two North Dakota residents, Jerry Radke and Janine Radke, in Underwood, North Dakota. This securities transaction involved a total investment of \$160,000 with interest to be paid at the rate of 24% per annum for a period of 24 months.
4. On or about February 26, 2008, Respondents, Blue and Richey, engaged in the offering of an investment contract in the form of a Promissory Note issued by Respondent Blue, to two North Dakota residents, Jerry Radke and Janine Radke, in Underwood, North Dakota. This securities transaction involved a total investment of \$50,000 with interest to be paid at the rate of 24% per annum for a period of 12 months.
5. The Promissory Notes described in paragraphs 3 and 4 are "securities" as defined in N.D.C.C. § 10-04-02(19).
6. The Promissory Notes issued by Respondents were not registered with the Securities Department under N.D.C.C. §§ 10-04-07, 10-04-07.1, 10-04-08, or 10-04-08.1; are not an exempt security under N.D.C.C. § 10-04-05; and were not offered for sale or sold in an exempt transaction under N.D.C.C. § 10-04-06; and are not a federal covered security or have not been properly filed as a federal covered security under N.D.C.C. § 10-04-08.4. The offer and sale of the subject

investments were made in violation of N.D.C.C. § 10-04-04 and Respondents engaged in two violations of N.D.C.C. § 10-04-04.

7. The transactions referenced above were conducted at a time when Blue was not registered as an issuer-dealer or broker-dealer with the Securities Department. Respondent Blue engaged in two violations of N.D.C.C. § 10-04-10(1).
8. Respondent Richey was not registered as an agent with the Securities Department at the times of these transactions. Respondent Richey engaged in two violations of N.D.C.C. 10-04-10(2).
9. Respondent Richey, in the offer and sale of the securities described herein, directly and indirectly employed devices, schemes and artifices to defraud purchasers of such securities, and made untrue statements and omissions of material fact and therefore, Respondent Richey engaged in two violations of N.D.C.C. § 10-04-15(2).
10. Pursuant to N.D.C.C. § 10-04-16 (1), the Securities Commissioner has the authority to Order that a person Cease and Desist from violations of the Securities Act, to rescind transactions made in violations of the Securities Act, and to assess civil penalties in an amount not to exceed \$10,000 for each violation of the Securities Act or a total of \$80,000 based on the violations described above. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondents pursuant to N.D.C.C. § 10-04-16 (1).
11. This Order is issued in the public interest, and for the protection of investors.

NOW, THEREFORE, IT IS ORDERED, pursuant to N.D.C.C. § 10-04-16, that the Respondents shall immediately **CEASE AND DESIST**:

1. From offering for sale or selling in North Dakota the subject securities, or any other securities however denominated, unless and until such securities have been registered with the Securities Department.
2. From offering for sale or selling securities, or effecting transactions in securities, in North Dakota unless and until they have registered with the Securities Department as issuer-dealers, broker-dealers or agents.
3. From using material misstatements or omissions, engaging in a scheme or artifice to defraud investors, or from engaging in any fraudulent or deceptive practices, in connection with the offer and/or sale of securities in this state.

This order does not prohibit the offer or sale of securities through exempt securities transactions under N.D.C.C. § 10-04-06, nor does it prohibit registered broker-dealers and agents from offering or selling exempt securities under N.D.C.C. § 10-04-05 or federal covered securities offered pursuant to a notice filing made to the Securities Department pursuant to N.D.C.C. § 10-04-08.4.

YOU ARE NOTIFIED that any willful violation of this order is a Class B Felony pursuant to N.D.C.C. § 10-04-18(1). Pursuant to N.D.C.C. § 12.1-32-01(3), a Class B Felony is punishable by a \$10,000 fine and 10 years' imprisonment, with respect to a natural person. Pursuant to N.D.C.C. § 12.1-32-01.1(2), a Class B Felony is punishable by a \$35,000 fine with respect to an organization.

YOU ARE FURTHER NOTIFIED that, pursuant to N.D.C.C. § 12.1-09-03, a person is guilty of a criminal offense if that person intentionally "alters, destroys, mutilates, conceals, or removes a record, document, or thing with intent to impair

its verity or availability” in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution.

ORDER FOR AND NOTICE OF CIVIL PENALTY

YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to N.D.C.C. § 10-04-16(1), in an amount not to exceed \$10,000 for each violation. Respondents are hereby assessed, jointly and severally, and shall pay a civil penalty of \$80,000 to the North Dakota Securities Department based on the violations discussed above. \$70,000 of the civil penalty assessed under this paragraph shall be suspended and shall not be due and payable provided the Respondents complete rescission of the transactions described in paragraphs 3 and 4 of the findings within sixty days of the date of this Order, with the complainants' losses to be calculated pursuant to N.D.C.C. § 10-04-17. Failure to make timely payment to complainants shall result in a default of this provision and the entire civil penalty of \$80,000 shall be due and payable to the Department.

The civil penalty assessed herein is due and payable immediately upon the entry of this Order, except to the extent that a hearing has been timely requested by the Respondents. If a hearing is requested, the Securities Commissioner expressly reserves the authority to modify this provision and to assess additional civil penalties, not to exceed \$10,000 per violation, regarding the violations outlined above or any other violations subsequently discovered. The Commissioner reserves the authority to direct any penalties to the North Dakota Investor Restitution Fund (Fund # 262), for the purpose of repaying aggrieved investors, as appropriate.

ORDER FOR RESCISSION

The Securities Commissioner further Orders that the Respondents shall make rescission of the transactions described in paragraphs 3 and 4 of the findings within sixty days of the date of this Order, for the full amount paid for the securities, plus interest at the statutory rate, and less the amount of any income received on the securities by the complainants, pursuant to the provisions of N.D.C.C. §§ 10-04-16(1) and 10-04-17.

The complainants, Jerry Radke and Janine Radke, are intended third party beneficiaries of this provision, and may seek to enforce their interests under this paragraph.

NOTICE OF RIGHT TO REQUEST A HEARING

YOU ARE NOTIFIED that pursuant to N.D.C.C. § 10-04-12 you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN FIFTEEN (15) DAYS AFTER THE RECEIPT OF THIS ORDER. The Respondents have the right to be represented by legal counsel at the hearing.

IN TESTIMONY WHEREOF, witness my hand and seal this 17 day of June, 2010.





Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
600 East Boulevard Ave.
State Capitol – Fifth Floor
Bismarck, ND 58505-0510
(701) 328-2910

STATE OF NORTH DAKOTA
SECURITIES DEPARTMENT

In the Matter of Blue Investments, LLC,)
an Arizona limited liability company, and)
Travis Richey,)
Respondents.)

AFFIDAVIT OF SERVICE
BY MAIL

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I, Jacqui Ferderer, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

On this 8 day of June, 2010, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, a true and correct copy of each of the following documents:

**CEASE AND DESIST ORDER, ORDER FOR CIVIL PENALTY,
ORDER FOR RESCISSION, AND NOTICE OF RIGHT
TO REQUEST A HEARING**

Copies of the above documents were securely enclosed in an envelope with postage duly prepaid, sent via certified mail, return receipt requested, addressed to each of the following:

Travis Richey
11949 W. Monte Lindo Lane
Sun City, AZ 85373

Travis Richey
14401 N. 153rd Dr.
Surprise, AZ 85379

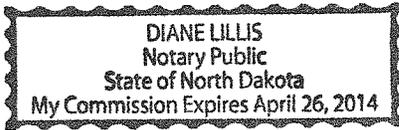
Travis Richey
Managing Member
Blue Investments, LLC
2425 E. Camelback Road, Suite 950
Phoenix, AZ 85016

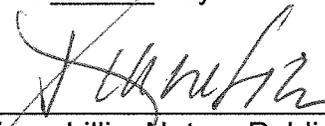
To the best of my knowledge, information and belief, the addresses given above
are the last known addresses of the parties intended to be served.



Jacquie Ferderer

Subscribed and sworn to before me this 8 day of June, 2010.





Diane Lillis, Notary Public
Burleigh County, North Dakota
My commission expires 4/26/2014