# STATE OF NORTH CAROLINA

**Department of The Secretary of State**

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| **IN THE MATTER OF:** | ) | |
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| | ) | |
| **Richard Duane White** | ) | **CONSENT ORDER** |
| **5444 Sandy Trail Dr.** | ) | **FILE NO. 01-013-LI** |
| **Knightdale, NC 27545** | ) | |
| | ) | |
| **Respondent.** | ) | |
| | ) | |

The Securities Administrator, acting through her duly appointed Deputy Securities Administrator, pursuant to and under all authority granted by Chapter 78A of the North Carolina General Statutes (the North Carolina Securities Act), and the above-named Respondent, Richard Duane White (hereinafter referred to as "White" or "Respondent"), do hereby enter into this Consent Order in settlement of the above-captioned matter, stipulate to the facts and findings set forth herein, and consent to the entry of this Order.

**WHEREAS**, this Consent Order is entered into pursuant to a settlement by and between White and the Securities Division of the North Carolina Department of the Secretary of State (hereinafter the "Division") with respect to matters at issue concerning White's offer and sale of unregistered securities to members of the public in North Carolina and effecting of securities transactions with members of the public in North Carolina without said transactions being recorded on the regular books or records of his dealer or authorized by his dealer prior to their execution;

**NOW, THEREFORE,** White and the Division have agreed, and do hereby agree, to the following terms and conditions in settlement of the matters described below:

## I.

## JURISDICTION AND CONSENT

Respondent admits the jurisdiction of the Division, stipulates to the Findings of Fact and Conclusions of Law contained in this Order, and consents to the entry of this Order by the Deputy Securities Administrator.

## II.

## FINDINGS OF FACT

The Securities Administrator, acting by and through her duly appointed Deputy Securities Administrator, after an investigation into the factual circumstances surrounding White's activities, makes the following findings of fact with respect to said activities:

1. White solicited funds from persons in North Carolina to be invested in payphones through ETS Payphones, Inc. (hereinafter "ETS");
2. The ETS investment opportunity offered and sold in North Carolina by White was a security subject to the North Carolina Securities Act but was not registered under the North Carolina Securities Act prior to being offered and sold in North Carolina;
3. White solicited funds from persons in North Carolina to be invested in

investment programs with Evergreen Security, Ltd. and Worldwide Income Partners, Inc. (hereinafter "Evergreen/Worldwide");

4. The Evergreen/Worldwide investment programs offered and sold in North Carolina by White were securities subject to the North Carolina Securities Act but were not registered under the Act prior to being offered and sold in North Carolina;

5. Until December 1998, White was a registered salesman of securities pursuant to N.C.G.S. §78A-36;

6. White's sale of the ETS and Evergreen/Worldwide investment programs were effected without being recorded on the regular books or records of his dealer and without disclosing such transactions and receiving authorization of said dealer prior to execution of the transactions; and

7. Said actions by White were violations of the North Carolina Securities Act.

**BASED UPON THE FOREGOING** findings of fact, and consistent with the consent and stipulation of the Respondent, the Securities Administrator makes the following:

## III.

## CONCLUSIONS OF LAW

1. The Securities Administrator has jurisdiction over the subject matter of this proceeding and over White;

2. This Order is in the best interest of the investing public;

3. The ETS and Evergreen/Worldwide investment opportunities offered and

sold by White (hereinafter "the Securities") are securities as defined by N.C.G.S. §78A-2(11);

4. The Securities were required to be registered under N.C.G.S. §78A prior to their offer and sale in North Carolina;

5. The Securities were not registered under the North Carolina Securities Act in violation of N.C.G.S. §78A-24;

7. In connection with his offer and sale of the Securities to persons in North Carolina, White acted in violation of 18 NCAC 06.1414(c)(3) by effecting securities transactions not recorded on the regular books or records of his dealer and without the prior written authorization of his dealer.

## IV.

## ORDER

**NOW, THEREFORE,** it is **HEREBY DECREED AND ORDERED** that White shall immediately cease and desist:

1. Offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, investments in ETS, Evergreen/Worldwide or any other securities of any issuer, howsoever denominated, unless and until such securities have been registered pursuant to the provisions of the North Carolina Securities Act or such securities or transactions are exempt from such registration; and

2. Effecting securities transactions with a customer not recorded on the

regular books or records of his dealer unless the transactions are disclosed to and authorized in writing by the dealer prior to execution of the transactions.

The Respondent, by execution of this Consent Order, waives his right to a hearing and judicial review thereof. Said Respondent affirmatively states that he has freely agreed to the entry of this Order, and that no threats, promises or offers of any kind, other than as stated in this document, have been made by the Securities Administrator, Deputy Securities Administrator, any member of the staff of the Securities Division, or any agent or employee of the Department of the Secretary of State in connection with the entry of this Consent Order.

**AGREED AND CONSENTED TO** this the 26th day of February, 2008.

By: _____ (SEAL)
Respondent:
Richard Duane White

**ELAINE F. MARSHALL**
**SECRETARY OF STATE and Securities**
**Administrator of the State of North Carolina**

By: _____
David S. Massey
Deputy Securities Administrator

March 11, 2008
10:37 A.M.