

1 STATE OF ALASKA  
2 DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
3 DIVISION OF BANKING AND SECURITIES  
4

5 IN THE MATTER OF: )  
6 TROY STAFFORD and )  
7 PATRICK WILLIAMS )  
8 )  
9 Respondents. )  
10 \_\_\_\_\_ )

**ORDER NO. 12-85-S**  
**FINAL CEASE AND DESIST ORDER**  
**ASSESSING CIVIL PENALTIES**

11 The Director of the Department of Commerce, Community, and Economic  
12 Development, Division of Banking and Securities (“Administrator”), has conducted an  
13 investigation into certain business activities of Troy Stafford and Patrick Williams  
14 (collectively, the “Respondents”), and has determined that Respondents violated certain  
15 provisions of the Alaska Securities Act, Alaska Statute (AS) 45.55.

16 I. BACKGROUND

17 On September 10, 2014, the Administrator sent a Temporary Cease and Desist Order  
18 Effectively Immediately, Assessing Civil Penalties, with Notice of Hearing Rights and Notice  
19 of Final Cease and Desist Order (“Temporary Cease and Desist Order”) by certified mail,  
20 restricted delivery, return receipt requested, to Troy Stafford at 15560 N. Frank Lloyd Wright  
21 Blvd., Suite B4-299, Scottsdale, Arizona, 85260, and to Patrick Williams at 2454 Colony Loop,  
22 Anchorage, Alaska, 99507.

23 On September 11, 2014, an individual named M.A. received and signed for the  
24 Temporary Cease and Desist Order for Williams. On September 18, 2014, Williams left a voice

1 mail message for the Administrator and confirmed that he received the Temporary Cease and  
2 Desist Order and acknowledged that he had fifteen (15) days to request a hearing. Moreover,  
3 the Administrator spoke to Williams later on September 18, 2014 and Williams again  
4 confirmed receipt of the Temporary Cease and Desist Order and acknowledged that he had  
5 fifteen (15) days to request a hearing.

6 On September 13, 2014, an individual named T.A. received and signed for the  
7 Temporary Cease and Desist Order for Stafford. Later, the Administrator discovered that  
8 Stafford's address was actually a PostalMax store where Stafford rented a mailbox. By renting  
9 a mailbox from PostalMax, Stafford authorized the PostalMax employee to sign for any mail  
10 for him. Therefore, Stafford received the Temporary Cease and Desist Order.

11 Stafford and Williams did not request a hearing within fifteen (15) days after receiving  
12 the Temporary Cease and Desist Order.

## 13 II. FACTS

- 14 1. Stafford is a resident of Scottsdale, Arizona.
- 15 2. Williams is a resident of Anchorage, Alaska.
- 16 3. Stafford formed GS Capital, LLC ("GS Capital"), entity number 87038D, as a  
17 limited liability company in Alaska on June 1, 2004. Stafford was the registered agent for GS  
18 Capital.
- 19 4. GS Capital had an address at 3150 C Street, #210, Anchorage, Alaska, 99503.
- 20 5. GS Capital was purported to be an investment company/mortgage broker that  
21 facilitated the purchase of other companies in order to improve the companies.
- 22 6. Stafford was President of GS Capital and Williams acted as a consultant for  
23 GS Capital.
- 24 7. Williams formed WS Seafood Investment Limited Liability Corporation ("WS

1 Seafood”), entity number 125662, as a corporation in Alaska on January 4, 2010. Williams was  
2 the registered agent for WS Seafood.

3 8. WS Seafood had an address at 4141 B Street, Suite 302, Anchorage, Alaska, 99503.

4 9. Stafford and Williams were co-managing principals of WS Seafood.

5 10. WS Seafood was allegedly formed in order to purchase a twenty percent (20%)  
6 interest in an international seafood distribution company named Harbor Crown Seafood, Inc.  
7 (“Harbor Crown”).

8 11. Harbor Crown, entity number 80060D, was incorporated in Alaska on May 16,  
9 2003. Kenneth Dorris was the registered agent for Harbor Crown.

10 12. Harbor Crown had an address at Mile 1, Captain Bay Road, Dutch Harbor, Alaska,  
11 99695.

12 13. On June 29, 2009, Stafford offered M.B. an opportunity to invest forty thousand  
13 dollars (\$40,000) for a twenty-five percent (25%) ownership interest in WS Seafood.<sup>1</sup> Stafford  
14 explained to M.B. that the forty thousand dollar (\$40,000) initial investment in WS Seafood  
15 would not only result in a twenty-five percent (25%) interest in WS Seafood, but would also  
16 result in a five percent (5%) ownership interest in Harbor Crown. Additionally, Stafford  
17 promised M.B. a management role in Harbor Crown that included an annual salary.

18 14. On June 30, 2009, one (1) day after Stafford presented the investment opportunity,  
19 Stafford sent an investment agreement to M.B. that described the terms of M.B.’s prospective  
20 ownership interests in WS Seafood and Harbor Crown. The investment agreement also asserted  
21 that Keep Memory Alive (“KMA”), a non-profit organization located in Las Vegas, Nevada,  
22 would be lending ten million dollars (\$10,000,000) to WS Seafood to facilitate WS Seafood’s  
23 purchase of a twenty percent (20%) ownership interest in Harbor Crown.

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<sup>1</sup> WS Seafood did not exist at this time and would not be formed in Alaska until January 4, 2010.

1           15. On June 30, 2009, M.B. signed the investment agreement with Stafford and wire  
2 transferred forty thousand dollars (\$40,000) to a bank account at the First National Bank of  
3 Alaska, account no. XXXX62XX, in the name of GS Capital.

4           16. After M.B. signed the investment agreement, WS Seafood failed to purchase an  
5 interest in Harbor Crown. Moreover, M.B.'s forty thousand dollar (\$40,000) investment did not  
6 result in an ownership interest in WS Seafood or Harbor Crown and M.B. never received an  
7 annual salary or a management role in Harbor Crown.

8           17. The Chief Operating Officer/Chief Financial Officer for KMA stated to the  
9 Administrator that KMA never informed Stafford or Williams of any intention to loan ten  
10 million dollars (\$10,000,000) to WS Seafood to facilitate the purchase of Harbor Crown.

11           18. Harbor Crown was involuntarily dissolved in Alaska on July 21, 2011.

12           19. GS Capital and WS Seafood both were involuntary dissolved in Alaska on June 10,  
13 2013.

14           20. On May 29, 2014, Stafford filed a Notice of Rescission with the Administrator. The  
15 Notice of Rescission included a description of the unregistered securities that were offered to  
16 M.B. and stated that Stafford would be able to repay M.B. by withdrawing money from a  
17 family trust fund.

18           21. On June 13, 2014, Stafford sent a letter to M.B. that provided M.B. with the option  
19 of receiving a full refund of his original forty thousand dollar (\$40,000) investment plus eight  
20 percent (8%) interest per year since 2009, for a total of fifty-six thousand dollars (\$56,000).

21           22. On June 19, 2014, M.B. responded to Stafford's letter by requesting the fifty-six  
22 thousand dollars (\$56,000). Subsequently, M.B. received a confirmation receipt from the U.S.  
23 Postal Service showing that Stafford received M.B.'s response and request for funds on June  
24 21, 2014.



1 C. KMA would lend ten million dollars (\$10,000,000) to WS Seafood to facilitate  
2 the purchase of a twenty percent (20%) ownership interest in Harbor Crown.

3 3. Respondents violated AS 45.55.160 by filing a false Notice of Rescission with the  
4 Administrator because M.B. has not been paid fifty-six thousand dollars (\$56,000) pursuant to  
5 the rescission offer.

6 4. Respondents are subject to a civil penalty pursuant to AS 45.55.920(b) because  
7 Respondents knowingly and intentionally made fraudulent misrepresentations to M.B.

8 5. Respondents are also subject to a civil penalty pursuant to AS 45.55.920(b) because  
9 Respondents knowingly and intentionally filed a false Notice of Rescission with the  
10 Administrator.

11 IV. ORDER and NOTICE

12 The Administrator, pursuant to AS 45.55.920, hereby ORDERS Respondents to:

- 13 1. CEASE AND DESIST from defrauding investors in the State of Alaska.  
14 2. Comply with all provisions of the Alaska Securities Act, including associated  
15 regulations.  
16 3. Pay a civil penalty in the amount of one hundred thousand dollars (\$100,000).  
17 Respondents are jointly and severally liable for complying with the terms of this  
18 Order including payment of the civil penalty.

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Pursuant to AS 45.55.940(a), Respondents may obtain a review of this Final Order in the superior court by filing, in accordance with the Rules of Appellate Procedure, a notice of appeal. Pursuant to Appellate Rule 602(a)(2), the notice of appeal must be filed within 30 days from the date this Final Order is mailed or otherwise distributed to Respondents.

This ORDER is a publicly disclosable document.

IT IS SO ORDERED.

FRED PARADY, Acting Commissioner  
Department of Commerce, Community and  
Economic Development

DATED: December 4, 2014

/s/ Kevin Anselm  
BY: Kevin Anselm, Director  
Division of Banking and Securities