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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
whether there has been a violation of the
Securities Act of Washington by:

ALL-IN-ONE FINANCIAL SERVICES, INC.
and GARRY A. ESTRADA,

Respondents.

Order Number S-04-206-06-CO01

CONSENT ORDER IMPOSING INJUNCTIVE
RELIEF AND REVOKING INVESTMENT
ADVISER AND INVESTMENT ADVISER
REPRESENTATIVE REGISTRATIONS

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INTRODUCTION

On June 23, 2005, the Securities Division, Department of Financial Institutions, State of Washington (“Securities Division”), issued Summary Order S-04-206-05-TO01 (“Summary Order”) against Respondents All-In-One Financial Services, Inc. and Garry A. Estrada (“Respondents”). Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division and Respondents enter into this Consent Order in settlement of this matter. Respondent Garry A. Estrada has cooperated with the Division’s investigation, and admits to offering and selling unregistered securities in violation of the Securities Act. With that exception, Respondents neither admit nor deny the Findings of Fact and Conclusions of Law. The Securities Administrator finds as follows:

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FINDINGS OF FACT

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I. RESPONDENTS

1. All-In-One Financial Services, Inc. (“All-In-One”), IARD No. 115617, is an inactive Washington for-profit corporation incorporated May 4, 2000, and administratively dissolved by the Secretary of State on August 19, 2002. Formed in September 1984 as a sole proprietorship, All-In-One was initially a registered trade name for Garry A. Estrada. The sole proprietorship was registered with the Securities Division as a state-registered investment adviser from August 1995 until November 2000, when the registration was

1 transferred to the new corporation. Garry A. Estrada was the sole officer and director of All-In-One from
2 incorporation through dissolution.

3 2. Garry Anthony Estrada (“Estrada”), IARD No. 1266266, has been a registered investment adviser
4 representative with All-In-One in the State of Washington since March 2002. Estrada was previously
5 registered from September 1995 to March 2001 as securities salesperson with the broker-dealer Pacific
6 West Securities, Inc., and from June 1988 to March 1995 as an investment adviser representative and
7 securities salesperson with Pacific Harbor Securities, Laney & Company, and LACO Financial. Estrada is
8 the only registered investment adviser representative affiliated with All-In-One, and is not presently licensed
9 with any other state or federal-covered investment adviser or broker-dealer. At all times material to the
10 events described below, Estrada was married to Valentina Klimenko Estrada, Victor Kilmenko’s sister.

11 *II. OTHER PARTIES*

12 3. Viktor V. Klimenko (“Klimenko”) is the sole proprietor and President of International Supplier
13 AR, also known as International Supplier Company (“International”). The company is a Washington sole
14 proprietorship opened in June 1999. Klimenko financed his business through his own capital and through
15 loans from his immediate family members, particularly Valentina and Garry A. Estrada.

16 4. Charles Schwab & Co., Inc. (“Schwab”) provides custodial, operational and trading support for
17 independent fee-based investment advisors like All-In-One. Estrada and All-In-One have a Master Account
18 Agreement with Schwab, and Schwab maintains custody of the assets under management of All-In-One.

19 *III. PRIOR ENFORCEMENT HISTORY*

20 5. On July 9, 2003, the Securities Division issued a Summary Order, S-03-120-03-TO01, suspending
21 Respondent All-In-One’s investment adviser registration for failure to file its year-end balance sheet as
22 required. On August 4, 2003, the Division entered into a Consent Order, S-03-120-03-CO01, reinstating
23 All-In-One’s registration and imposing costs of \$500.

1 *IV. NATURE OF THE VIOLATIONS*

2 A. Sale of Securities

3 6. In 2002 and 2003, Estrada invested with Klimenko in International, each time receiving a return of
4 approximately 20% within six months. In November 2003, when Klimenko needed additional financing,
5 Estrada did not have funds available. Klimenko asked if Estrada would raise the funds from his All-In-
6 One clients. At the time, Estrada had approximately 45 clients who collectively had more than \$3.5
7 million in total assets under management. Estrada agreed to help, and requested that Klimenko prepare an
8 offering document.

9 7. Klimenko found a limited partnership agreement on the Internet. With help from Estrada,
10 Klimenko edited the document and created a Private Placement Offering (the "Agreement").

11 8. According to the Agreement, the purpose of the offering was to raise funds for "the business of
12 buying from various auctions, at deep discount, any items or products deemed worthy for resale on a
13 wholesale or retail basis" The offering was to commence on November 1, 2003 and continue until
14 December 31, 2004, unless extended. While an investment in the offering could extend for two years, the
15 Agreement provides that it was the intended that the investment would be limited to six months.

16 9. The minimum investment in the offering was \$5,000, while the maximum amount of money
17 raised under the Agreement was limited to \$100,000. Any income generated from the offering was to be
18 distributed first to International to recover its costs, then to investors, who were to receive 100% of any
19 profits up to the amount of their original investment. The balance of profits was then to be distributed so
20 that investors received a 24% annual return. International retained any profits remaining after that.

21 10. Estrada was to be paid a commission of 8% of the profits for obtaining investors. The Agreement
22 did not disclose that Estrada would be receiving this commission.

23 11. Estrada called at least 17 of his clients and solicited investments in the International Private

1 Placement Offering. Estrada told his clients that he had previously invested with International and that
2 International had never missed returning investors' principal in nine years of doing business. Estrada stated
3 that Klimenko and International intended the investment to last six months, and described the investment as
4 an opportunity to invest in International's private placement offering.

5 12. On or about November 9, 2003, Estrada sent the Agreement and cover letter to one of his clients,
6 NP of Everett, Washington. At the time, NP was 63 years old, a retired mechanical engineer, who describes
7 his risk tolerance as "moderate." The letter states, among other things, that Klimenko and International had
8 been engaged in these types of transactions for nine years and that Klimenko and International had never
9 failed to return principal to their investors.

10 13. On or about November 13, 2003, NP invested \$5,800 in International. On or about December 2,
11 2003, Estrada sent NP a signed copy of the Agreement. Between November 2003 and January 2004, thirteen
12 of Estrada's All-In-One clients invested a total of \$65,719.97 in International.

13 14. Klimenko used the funds received from the investors to purchase toys, clothes, and equipment
14 from various auctions, and shipped the items to Russia. Due to delays by the shipping company, some
15 seasonal items missed the Christmas market, and due to legal problems with customs in Russia, some
16 products never made it through customs. None of the investors were repaid until after the Division filed
17 an action in this matter.

18 15. Estrada and All-In-One represented to the investors that International was a successful business.
19 Estrada failed to disclose that International was operating on successive capital infusions from family
20 members, and had no secure source of capital for operations.

21 16. Estrada and All-In-One failed to disclose the risks associated with the investment, including the
22 risk of shipping delays, customs delay, changes in Russian customs regulations, and foreign competition.

23 17. Estrada failed to disclose the family relationship he had with Klimenko.

1 B. Suitability

2 18. In selecting which clients to solicit for the International Private Placement Offering, Estrada and
3 All-In-One failed to have or obtain from clients sufficient information to ascertain whether the investment
4 was suitable for those clients.

5 19. Estrada and All-In-One solicited some clients with relatively insignificant assets. One client, WE,
6 had only \$12,000 invested with Schwab. Based on Estrada's recommendations, WE invested \$5,000 with
7 International, an amount equal to almost 42% of his retirement savings at Schwab.

8 20. In addition, Estrada and All-In-One solicited clients who had conservative investment objectives.
9 At least four investors had stated investment objectives of "moderately aggressive – conservative."

10 21. In a number of cases, Respondents did not have current information relating to client investment
11 objectives. One investor, BH, a 73-year-old retired nurse, had lost most of her retirement in 2000. At the
12 time of the solicitation, those losses, coupled with her dependence on Social Security and investment
13 returns for income, lead her to assess her risk tolerance as low. However, Estrada and All-In-One had her
14 risk tolerance coded as "moderately aggressive." Based on Estrada's recommendations, BH withdrew
15 \$5,000 from her account at Schwab to invest with International.

16 22. In another case, Respondents solicited an 81-year-old client, WM, whose wife had recently been
17 diagnosed with Alzheimer's disease. Respondents failed to obtain updated information concerning their
18 client's financial situation, investment objectives, or other information before executing the transaction.

19 C. Registration Status

20 23. While offering and selling Agreements, Respondent All-In-One was not registered as a
21 broker/dealer in the State of Washington; Respondent Estrada was not registered as a securities
22 salesperson in the State of Washington; and the Agreements offered and sold by All-In-One and Estrada
23 were not registered for sale in Washington

1 Based on the foregoing Findings of Fact, the following Conclusions of Law are made:

2 **CONCLUSIONS OF LAW**

3 1. The offer and sale of the Agreements described above constitutes the offer and sale of a security as
4 defined in RCW 21.20.005(10) and (12).

5 2. Respondents All-In-One Financial Services, Inc. and Garry A. Estrada have each willfully violated
6 RCW 21.20.020, the investment adviser anti-fraud provision of the Securities Act, by engaging in a course
7 of conduct which operated as a fraud or deceit on their clients.

8 3. Respondents All-In-One Financial Services, Inc. and Garry A. Estrada have each willfully violated
9 RCW 21.20.010, the general anti-fraud provision of the Securities Act, by making, in connection with the
10 offer or sale of said securities, untrue statements of material fact and by omitting to state material facts
11 necessary in order to make the statements made, in light of the circumstances under which they were
12 made, not misleading.

13 4. Respondents All-In-One Financial Services, Inc. and Garry A. Estrada have each willfully violated
14 RCW 21.20.702, the suitability provision of the Securities Act, by recommending to customers the
15 purchase of unregistered securities without having reasonable grounds to believe that the recommendation
16 was suitable, and by executing said transactions without having made reasonable efforts to obtain current
17 information relating to their clients' financial status, investment objectives, and other information
18 necessary to make suitable investment recommendations.

19 5. Respondents All-In-One Financial Services, Inc. and Garry A. Estrada have each willfully violated
20 RCW 21.20.140, the securities registration provision of the Securities Act, by offering or selling said
21 securities while no registration for such offer or sale was on file with the Division.

1 6. Respondent Garry A. Estrada has willfully violated RCW 21.20.040, the securities salesperson
2 registration provision of the Securities Act, by offering or selling said securities while not registered as a
3 securities salesperson with the Division. Respondent All-In-One has willfully violated RCW 21.20.040,
4 the broker-dealer registration provision of the Securities Act, by offering or selling said securities while
5 not registered as a broker-dealer with the Division.

6 7. Pursuant to RCW 21.20.110(6), Respondent Garry A. Estrada, as the sole officer and director of
7 Respondent All-In-One Financial Services, Inc., is liable to the same extent as All-In-One Financial
8 Services, Inc., for the violations committed by the corporation.

9 8. The willful violations of RCW 21.20.020, .010, .702, .140, and .040 provide grounds, pursuant to
10 RCW 21.20.110(1), for the revocation or conditioning of Respondents' investment adviser and investment
11 adviser representative registrations and the imposition of fines. Furthermore, the willful violations
12 provide grounds, pursuant to RCW 21.20.390, for the imposition of injunctive relief and fines.

14 **CONSENT ORDER**

15 Based upon the foregoing,

16 IT IS AGREED AND ORDERED that pursuant to RCW 21.20.390, Respondents All-In-One Financial
17 Services, Inc. and Garry A. Estrada shall each cease and desist from offering or selling securities in any
18 manner in violation of RCW 21.20.020 or 21.20.010, the anti-fraud provisions of the Securities Act.

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20 IT IS FURTHER AGREED AND ORDERED that pursuant to RCW 21.20.390, Respondents All-In-
21 One Financial Services, Inc. and Garry A. Estrada shall each cease and desist from making investment
22 recommendations in violation of RCW 21.20.702, the suitability provision of the Securities Act.

1 IT IS FURTHER AGREED AND ORDERED that pursuant to RCW 21.20.390, Respondents All-In-
2 One Financial Services, Inc. and Garry A. Estrada shall each cease and desist from offering or selling
3 securities in any manner in violation of RCW 21.20.140, the securities registration provision of the
4 Securities Act.

5
6 IT IS FURTHER AGREED AND ORDERED that pursuant to RCW 21.20.390, Respondents All-In-
7 One Financial Services, Inc. and Garry A. Estrada shall each cease and desist from offering or selling
8 securities in any manner in violation of RCW 21.20.040, the securities salesperson registration provision
9 of the Securities Act.

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11 IT IS FURTHER AGREED AND ORDERED that pursuant to RCW 21.20.110, the investment adviser
12 registration of Respondent All-In-One Financial Services, Inc., suspended June 23, 2005, is hereby
13 immediately revoked. Respondent Garry A. Estrada shall not make application for nor be granted an
14 investment adviser or broker dealer registration for three years from the date of entry of this Order.

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16 IT IS FURTHER AGREED AND ORDERED that pursuant to RCW 21.20.110, the investment adviser
17 representative registration of Respondent Garry A. Estrada, suspended June 23, 2005, is hereby
18 immediately revoked. Respondent Garry A. Estrada may apply for reinstatement of his investment adviser
19 representative registration when the following conditions have been met:

- 20 a) Estrada's sponsoring investment adviser or broker dealer provides the Securities
21 Division with a written acknowledgement that Estrada is not and will not be a principal
of the investment adviser or broker dealer sponsoring his registration for a period of
three years; and
- 22 b) Estrada's sponsoring investment adviser or broker dealer provides the Securities
23 Division with a written acknowledgement that Estrada will be subject to heightened
supervision for a period of three years.

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CONSENT ORDER IMPOSING INJUNCTIVE 10
RELIEF AND REVOKING INVESTMENT
ADVISER AND INVESTMENT ADVISER
REPRESENTATIVE REGISTRATIONS

Department of Financial Institutions
Securities Division - Compliance Unit
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