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

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IN THE MATTER OF DETERMINING

of the Securities Act of Washington by:

Whether there has been a violation

Steven Richardson;

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Order Number S-05-092-05-CO01

CONSENT ORDER

Respondent.

INTRODUCTION

On October 24, 2005, the Securities Division of the Department of Financial Institutions ("Securities Division") entered a Statement of Charges and Notice of Intent to Enter Order to Deny Securities Salesperson Registration and Impose Fines and Costs S-05-092-05-SC01 ("Statement of Charges") against the Respondent, Steven Richardson. The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing and an Application for Adjudicative Hearing were served on Steven Richardson on October 28, 2005. Steven Richardson agreed to repay the investor discussed in the Statement of Charges and on March 28, 2006, the Securities Division received notification that Steven Richardson had repaid the investor.

The Securities Division and Respondent do hereby agree to this CONSENT ORDER in settlement of the above captioned matter. Respondent neither admits nor denies the Findings of Fact or Conclusions of Law.

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CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS **Securities Division** PO Box 9033 Olympia, WA 98507-9033 360-902-8760

1	FINDINGS OF FACT	
2	Respondent	
3	 Steven Richardson ("Richardson") is an individual residing in Thurston County, Washing 	rtoı
	1. Steven Kichardson (Kichardson) is an individual residing in Thurston County, washing	;w
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5	Nature of the Conduct	
6	2. Richardson was registered in the State of Washington as a securities salesperson from 19	92
7	until 1994 with Intersecurities, Inc. and from 1994 until 2001 with WMA Securities, Inc. His securit	ies
8	salesperson identification number (CRD #) is 2219221.	
9	3. In 2000, Richardson told an investor residing in Thurston County, Washington ("Inves	tor
10	A"), that he would invest her money in mutual funds.	
11	4. Investor A was 75 years old and worried about her financial future.	
12	5. On February 22, 2000, Investor A gave Richardson \$30,000 with the understanding the	hat
13	Richardson would invest the money for her. The money Investor A gave Richardson came from the sa	ale
14	of her residence.	
15	6. On March 27, 2000, Investor A gave Richardson \$10,000 with the understanding the	hat
16	Richardson would invest the money for her. Investor A had the money because one of her certificates	of
17	deposit had matured.	
18	7. On June 12, 2000, Investor A gave Richardson \$10,000 with the understanding the	hat
19	Richardson would invest the money for her. Investor A had the money because another certificate	of
20	deposit had matured.	
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23	CONSENT ORDER 2 DEPARTMENT OF FINANCIAL INSTITUTION Securities Divisio PO Box 903	on
24	Olympia, WA 98507-903 360-902-876	33

8. On February 22, 2000, Investor A gave Richardson \$30,000 with the understanding that Richardson would invest the money for her. The money Investor A gave Richardson came from the sale of her residence.

9. On March 27, 2000, Investor A gave Richardson \$10,000 with the understanding that Richardson would invest the money for her. Investor A had the money because one of her certificates of deposit had matured.

10. On June 12, 2000, Investor A gave Richardson \$10,000 with the understanding that Richardson would invest the money for her. Investor A had the money because another certificate of deposit had matured.

11. Richardson deposited Investor A's moneys into his own brokerage account and commingled Investor A's funds with his own money. The brokerage account contained \$50,000 of Investor A's funds and approximately \$9,000 of Richardson's own funds. Richardson used \$50,316 of the funds in the brokerage account to buy shares of start-up and other high risk companies. Richardson spent the rest of the money on personal items.

12. Richardson created monthly account statements representing that Investor A's funds had been placed in a mutual fund at American Skandia. Richardson delivered the account statements to Investor A from at least February 2000 until March 2002.

13. In 2000, the value of the shares held in Richardson's brokerage account declined. In approximately October 2000, Richardson began selling these shares. By January 2001, Richardson had sold off all the shares and spent all the money on personal items. Richardson continued to deliver to Investor A account statements until at least March 2002 representing that her money had been invested in mutual funds.

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033

360-902-8760

Based upon the above Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

- 1. The conduct of Steven Richardson, as described above in paragraph 8, constitutes engaging in the practice of lending or borrowing money or securities from a customer, or acting as a custodian for money, securities or an executed stock power of a customer. Such conduct is cause for the denial of a salesperson registration pursuant to RCW 21.20.110(1)(g) and WAC 460-22B-090(1).
- 2. The conduct of Steven Richardson, as described above in paragraph 9, constitutes effecting securities transactions not recorded on the regular books or records of the broker-dealer which the agent represents, unless the transactions are authorized in writing by the broker-dealer prior to the execution of the transaction. Such conduct is cause for the denial of a salesperson registration pursuant to RCW 21.20.110(1)(g) and WAC 460-22B-090(2).
- 3. The conduct of Steven Richardson, as described above in paragraphs 3 through 9, constitutes effecting any transaction in, or inducing the purchase or sale of, any security by means of any manipulative, deceptive or fraudulent device, practice, plan, program, design or contrivance. Such conduct is cause for the denial of a salesperson registration pursuant to RCW 21.20.110(1)(g) and WAC 460-22B-090(3).
- 4. Respondent, Steven Richardson, in connection with the offer, sale, or purchase of securities, made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. Such practice is cause for the denial of a salesperson registration pursuant to RCW 21.20.110(1)(b).

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033

360-902-8760

1	CONSENT ORDER
2	Based upon the foregoing:
3	IT IS AGREED AND ORDERED that Respondent, Steven Richardson and his agents and
4	employees, each shall cease and desist from offering or selling securities in violation of RCW 21.20.010,
5	the anti-fraud section of the Securities Act of Washington.
6	IT IS FURTHER AGREED AND ORDERED that Respondent, Steven Richardson, will not apply
7	to be a broker-dealer, securities salesperson, investment adviser, or investment adviser representative for ten
8	(10) years from the entry of this consent order. Any application for such registration in the State of
9	Washington during this period shall be denied.
10	IT IS FURTHER AGREED AND ORDERED that Respondent, Steven Richardson, shall reimburse
11	the Securities Division \$2,700 prior to the entry of this order for its costs incurred in the investigation of this
12	matter.
13	IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Order.
14	IT IS FURTHER AGREED that in consideration of the foregoing Respondent, Steven Richardson,
15	voluntarily withdraws his request for a hearing and waives his right to a hearing in this matter and judicial
16	review of this order.
17	IT IS FURTHER AGREED that Steven Richardson enters into this Consent Order freely and
18	voluntarily and with full understanding of its terms and significance.
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CONSENT ORDER

1	WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.	
2	SIGNED this <u>18</u> day of <u>May</u> , 2006.	
3	Signed by:	
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5	Steven Richardson, individually	
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7	THIS ORDER IS SIGNED AND ENTERED THIS <u>19</u> DAY OF <u>May</u> , 200	6
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9	MOUARI E OFFICION	
10	MICHAEL E. STEVENSON Securities Administrator	
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12	Approved by:	
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14	Suzanne Sarason Chief of Compliance	
15	Descented by	
16	Presented by:	
17	K. Culbert	
18	Kristen Culbert Financial Legal Examiner	
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23	CONSENT ORDER 6 DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division	
24	PO Box 9033 Olympia, WA 98507-9033 360-902-8760	