

1 STATE OF WASHINGTON
2 DEPARTMENT OF FINANCIAL INSTITUTIONS
3 SECURITIES DIVISION

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

7 TIMOTHY MARK MATULA, d/b/a
8 QUANTUM CAPITAL ADVISORS,

9 Respondent.

Order Number S-06-199-07-CO01

CONSENT ORDER

10 **INTRODUCTION**

11 Pursuant to the Securities Act of Washington, ch. 21.20 RCW, the Securities Division of the
12 Washington State Department of Financial Institutions (“Securities Division”) and Respondent, Timothy
13 Mark Matula, d/b/a Quantum Capital Advisors, do hereby enter into this Consent Order in settlement of
14 the matters alleged herein. Respondent acknowledges the Securities Division’s jurisdiction and authority
15 to enter this Order, agrees to the entry of this Order, and admits the findings of fact and conclusions of law
16 set forth in this Order. The Securities Administrator finds as follows:

17 **FINDINGS OF FACT**

18 *I. RESPONDENT*

19 1. Timothy Mark Matula (“Matula”), CRD #2238850, was first registered as a securities salesperson
20 with Lehman Brothers, Inc. from June 1992 to July 1993 in California. From July 1993 to June 1994,
21 Matula was registered as a securities salesperson with Smith Barney, now known as Citigroup Global
22 Markets, Inc. On February 22, 1994, while with Smith Barney, Matula registered in Washington as a
23 securities salesperson. From June 1994 to August 1997, Matula was registered in Washington as a
24 securities salesperson and investment adviser representative with Prudential Securities. Matula is not
25 presently registered with the Securities Division in any capacity.

1 *II. NATURE OF THE VIOLATIONS*

2 2. On or about October 20, 1997, Matula, doing business as Quantum Capital Advisors (“Quantum”),
3 registered with the Securities Division as an investment adviser. The registration expired on December
4 31, 1997, and on or about February 13, 1998, Matula renewed his registration. The registration expired on
5 December 31, 1998, and Matula never renewed his registration or re-registered with the Securities
6 Division.

7 3. From January 1999 through March 2006, Matula did business as Quantum Capital Advisors in
8 Washington. For compensation, he advised clients about the value of their securities and the advisability
9 of purchasing or selling securities. Matula provided investment advice for more than 40 client accounts,
10 managed up to \$7 million in client assets, and charged an annual advisory fee of 1% of assets under
11 management. Matula, doing business as Quantum, does not claim or qualify for any exemptions from
12 registration as an investment adviser.

13 4. On or about February 15, 2002, the California Department of Corporations summarily revoked
14 Matula’s investment adviser certificate for failure to renew. At the time, Matula was doing business in
15 California as Quantum Capital Advisors.

16 5. On February 9, 2006, the Securities Division received information from Matula’s clearing firm,
17 Charles Schwab, that they had discovered Matula was not registered as an investment adviser with the
18 Securities Division. Matula subsequently terminated his Investment Manager Service Agreement with
19 Charles Schwab, which closed his Investment Manager Master Account. Charles Schwab sent notice of the
20 action to all of Matula’s clients, and transferred all of Matula’s investment adviser accounts to registered
21 investment advisers associated with Charles Schwab.

22 Based on the foregoing Findings of Fact, the following Conclusions of Law are made:
23

1 **CONCLUSIONS OF LAW**

2 1. Respondent, Timothy Mark Matula, doing business as Quantum Capital Advisors, has knowingly
3 violated RCW 21.20.040, the investment adviser registration provision of the Securities Act, by operating
4 as an investment adviser in Washington, as defined in RCW 21.20.005(6), while not registered as an
5 investment adviser with the Securities Division.

6 2. The knowing violation of RCW 21.20.040 provides grounds, pursuant to RCW 21.20.390 and
7 RCW 21.20.395, for the entry of an order to cease and desist and the imposition of fines.

8 **CONSENT ORDER**

9 Based upon the foregoing and finding it in the public interest:

10 IT IS AGREED AND ORDERED, pursuant to RCW 21.20.390, that Respondent, Timothy Mark
11 Matula, shall cease and desist from operating as an investment adviser in Washington in any manner in
12 violation of RCW 21.20.040.

13 It is further AGREED AND ORDERED, pursuant to RCW 21.20.395, that Respondent, Timothy Mark
14 Matula, shall be liable for and shall pay the Securities Division a fine of Nine Thousand Dollars (\$9,000).
15 Payment of this amount shall be made prior to the entry of this Consent Order.

16 In consideration of the foregoing, Respondent, Timothy Mark Matula, waives his right to a hearing
17 and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

18 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE**

19 SIGNED this 9th day of April, 2007

20 Signed by:

21 /s/ Timothy Mark Matula

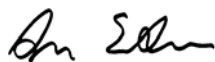
22 _____
23 TIMOTHY MARK MATULA, individually
and d/b/a Quantum Capital Advisors

1 DATED and ENTERED this 20th day of April, 2007

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MICHAEL E. STEVENSON
5 Securities Administrator

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7 Approved for entry by:

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SUZANNE E. SARASON
10 Program Manager
Compliance and Examination Unit

Presented by:

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12 _____
JANET SO
13 Financial Legal Examiner