1	STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS
2	SECURITIES DIVISION
3	IN THE MATTER OF DETERMINING ) Order Number S-08-392-12-CO01
4	Whether there has been a violation of the Securities Act of Washington by:  CONSENT ORDER
5	Thome Financial Management, LLC; )
6	Anthony Thome; )
7	Respondents )
8	
9	INTRODUCTION
0	Pursuant to the Securities Act of Washington, chapter 21.20 RCW, the Securities
1	Division of the Department of Financial Institutions ("Securities Division") and Respondents,
12	Thome Financial Management, LLC and Anthony Thome do hereby enter into this Consent
13	Order in settlement of the matters alleged herein. Respondents Thome Financial Management
14	LLC and Anthony Thome neither admit nor deny the Findings of Fact and Conclusions of Law
15	as stated below.
16	FINDINGS OF FACT
17	<u>Respondents</u>
18	1. Thome Financial Management LLC (IARD# 129190) ("Thome Financial"), a
19 20	Washington limited liability company, is an investment adviser located at 10210 NE 8th St.,
21	Suite 200, in Bellevue, Washington. Thome Financial has been registered as an investment
22	adviser with the State of Washington since January 2004.
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24	
25	CONSENT ORDER  1 DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 PO Box 9033 PO Box 9033
	Olympia, WA 98507-9033 360-902-8760

2. Anthony "Tony" Thome ("Thome") (CRD# 2407795) is the founder, President, sole owner, and sole investment adviser representative of Thome Financial. Thome has been registered as an investment advisor representative with Thome Financial since January 2004. Thome was previously registered as a securities salesperson with the State of Washington until approximately November 2006.

## Nature of the Violation

- 3. Between approximately February 2007 and April 2008, Thome and Thome Financial offered mortgage paper securities in the form of Participation Investment Agreements with Hallock Ryno Investments Inc. ("Hallock Ryno"), a former mortgage broker-dealer that was registered with the State of Washington pursuant to WAC 460-33A. Thome sent e-mails to his advisory clients describing various reasons to purchase the mortgage paper securities being sold by Hallock Ryno. Thome provided clients with other documents relating to the mortgage paper securities, such as a Specific Offering Circular or General Offering Circular. In some cases, Thome sent signed agreements and checks from clients to Hallock Ryno to complete the purchase of the securities.
- 4. Pursuant to an oral agreement, Hallock Ryno paid Thome Financial a "referral fee" of 1.5% of the amount invested by Thome's clients. Between 2007 and 2008, four of Thome's advisory clients made seven purchases of mortgage paper securities from Hallock Ryno for a total of \$1,261,000. Hallock Ryno, in turn, paid Thome Financial a total of \$18,915 in transaction-based compensation in connection with those securities sales.

25 CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760 5. At the time of the sales, Thome was not registered with the State of Washington as a securities salesperson, mortgage paper securities salesperson, or broker-dealer, and Thome Financial was not registered as a broker-dealer.

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

## **CONCLUSIONS OF LAW**

- 1. The offer or sale of the mortgage paper securities described above constitutes the offer or sale of a security, as defined in RCW 21.20.005(14) and (17).
- 2. Anthony Thome violated RCW 21.20.040 by offering or selling said securities while not registered as a securities salesperson or broker-dealer in the State of Washington.
- 3. Thome Financial Management, LLC violated RCW 21.20.040 by offering or selling said securities while not registered as a broker-dealer in the State of Washington.

## **CONSENT ORDER**

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

IT IS AGREED AND ORDERED that Respondents Thome Financial Management, LLC and Anthony Thome, and their agents and employees each shall cease and desist from violating RCW 21.20.040, the securities broker-dealer and securities salesperson registration section of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that Thome Financial Management, LLC and Anthony Thome shall be jointly liable for and shall pay investigative costs of \$2,500, prior to the entry of this Consent Order.

1	IT IS FURTHER AGREED AND ORDERED that Respondents Thome Financial
2	Management, LLC and Anthony Thome shall be jointly liable for and shall pay a fine of
3	\$15,000. Respondents Thome Financial Management, LLC and Anthony Thome shall make
4	an initial payment of \$1,000 within 30 days of the entry of this Consent Order, and shall make
5	consecutive monthly payments of \$1,000 per month on the 15th day of each month until the
6 7	fine has been paid in full.
8	IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this
9	Consent Order.
10	IT IS FURTHER AGREED that Respondents Thome Financial Management, LLC and
11	Anthony Thome enter into this Consent Order freely and voluntarily and with a full
12	understanding of its terms and significance.
13	IT IS FURTHER AGREED that in consideration of the foregoing, Respondents Thome
14	Financial Management, LLC and Anthony Thome waives their right to a hearing and to
15	judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.
16	WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.
17 18	Signed this <u>16<sup>th</sup></u> day of <u>October</u> , 2012
19	Signed by:
Signed by:	Signed by.
21	Anthony Thome, Individually
22	Tanada Talana, martidaan j
23	
24	4 DEPARTMENT OF FINANCIAL INSTITUTIONS CONSENT ORDER Securities Division
25	PO Box 9033 Olympia, WA 98507-9033 360-902-8760

I	Signed by:	
2	Thome Financial Management, LLC	
3	/s/ By Anthony Thome, President	
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9	Dated and Entered this 22nd day of October , 2012.	
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12	<i>y</i> 550 - 550 - 550	
13	WILLIAM M. BEATTY Securities Administrator	
14	Approved by: Presented by:	
15	Approved by:  An Eller  In the second of the	
l6 l7	Suzanne E. Sarason Robert Kondrat	
18	Chief of Enforcement Financial Legal Examiner Supervisor	
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