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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:

LUNDGREN & ASSOCIATES LLC,

Respondent.

Order Number S-10-215-10-SC01

STATEMENT OF CHARGES AND NOTICE
OF INTENT TO SUSPEND INVESTMENT
ADVISER REGISTRATION AND IMPOSE
FINES

THE STATE OF WASHINGTON TO: LUNDGREN & ASSOCIATES LLC
211 Taylor St., Ste 6
Port Townsend, WA 98368

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that the Respondent, LUNDGREN & ASSOCIATES LLC, has violated the Securities Act of Washington and that its violations justify the suspension of Respondent's investment adviser registration pursuant to RCW 21.20.110(1). The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. Respondent

1. Lundgren & Associates, LLC ("Lundgren") is a limited liability company organized under the laws of Washington with its principal place of business at 211 Taylor St., Ste. 6, Port Townsend, WA 98368. The Managing Member and Registered Agent of the company is Gwen Lundgren. The fiscal year end for Lundgren is December 31.

1 2. Lundgren is currently registered as an investment adviser with the Securities Division pursuant to
2 RCW 21.20.040 under file number 30002926. That registration expires on December 31, 2010. The
3 file number for Lundgren in the Investment Adviser Registration Depository (“IARD”) is 148462.
4

5 **II. Nature of the Conduct**

6 3. In accordance with WAC 460-24A-060, each investment adviser registered with the Securities
7 Division is required to file with the Securities Division a fiscal year end balance sheet prepared in
8 accordance with generally accepted accounting principles. The balance sheet must be filed no more
9 than ninety days after the end of the adviser’s fiscal year.

10 4. In accordance with WAC 460-24A-205, each investment adviser registered with the Securities
11 Division is required to file an annual updating amendment to its Form ADV Part 1 with the IARD
12 within ninety days after the end of its fiscal year. The Respondent’s entire Part 1 needs to be reviewed
13 to determine whether the information disclosed is still accurate.

14 5. The Respondent last submitted a balance sheet to the Securities Division on May 20, 2009. That
15 balance sheet is mistakenly dated December 31, 2009 but is actually as of December 31, 2008. The
16 Respondent’s most recent Form ADV Part 1 was filed with IARD on May 19, 2009.

17 6. On January 22, 2010, the Securities Division sent a memorandum via e-mail to all investment
18 advisers registered in the State of Washington with a fiscal year end in December reminding them of
19 the requirement to submit a fiscal year-end balance sheet prepared in accordance with generally
20 accepted accounting principles and to file on IARD the annual updating amendment by March 31,
21 2010. The memorandum included a warning that advisers who failed to file the required documents
22 would be referred to Enforcement for administrative action which could include suspension or

1 revocation of their license and imposition of fines. The memorandum was sent to the Respondent at
2 the e-mail address listed in its most recent Form ADV Part 1.

3 7. On March 23, 2010, the Securities Division sent an e-mail message to all investment advisers,
4 including the Respondent, who had not filed the required documents. The message reminded them
5 that the deadline to file was March 31, 2010, and again warned that failure to file would result in
6 administrative action and imposition of fines. This e-mail was sent to the Respondent at the e-mail
7 address listed in the Respondent's most recent Form ADV Part 1.

8 8. On April 6, 2010, and again on May 5, 2010, Jennifer Johnson, a customer service specialist with
9 the Securities Division, left voicemail messages for Gwen Lundgren stating that the Securities
10 Division had not received the required documents. Ms. Johnson also sent an e-mail message to the
11 Respondent on April 21, 2010, but this message came back as undeliverable.

12 9. As of the date of this Statement of Charges, the Respondent has not submitted a balance sheet or
13 an annual updating amendment to its Form ADV on IARD for its fiscal year ending December 31,
14 2009.

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

16 CONCLUSIONS OF LAW

17 1. LUNDGREN & ASSOCIATES LLC, as described above, has willfully violated WAC 460-24A-
18 060 because it has not filed a balance sheet prepared in accordance with generally accepted accounting
19 principles within 90 days of its December 31, 2009 fiscal year end.

20 2. Lundgren has willfully violated WAC 460-24A-205 because it has not filed an updated Form ADV
21 Part 1 with the IARD within 90 days of its December 31, 2009 fiscal year end.

1 3. The willful violations of WAC 460-24A-060 and WAC 460-24A-205 constitute grounds for the
2 entry of an order suspending the registration of Lundgren as an investment adviser under RCW
3 21.20.110(1)(b) and imposing a fine under RCW 21.20.110(1).

4 **NOTICE OF INTENT TO SUSPEND REGISTRATION**

5
6 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and
7 Conclusions of Law, the Securities Administrator intends to order that the investment adviser registration
8 of the Respondent be suspended until the Respondent has complied with WAC 460-24A-060 and WAC
9 460-24A-205.

10 **NOTICE OF INTENT TO IMPOSE FINES**

11
12 Pursuant to RCW 21.20.110(1) and based upon the above Tentative Findings of Fact and
13 Conclusions of Law, the Securities Administrator intends to order that Respondent shall be liable for and
14 pay a fine of \$1,000.

15 **AUTHORITY AND PROCEDURE**

16
17 This Order is entered pursuant to the provisions of RCW 21.20.110 and is subject to the
18 provisions of RCW 21.20.120 and Chapter 34.05 RCW. The Respondent may make a written request for
19 a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
20 HEARING accompanying this Order. If the Respondent does not request a hearing, the Securities
21 Administrator intends to adopt the foregoing Tentative Findings of Fact and Conclusions of Law as final,
22 and enter an order against the Respondent suspending the Respondent's investment adviser registration

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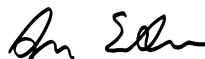
and imposing the fine sought.

DATED this 5th day of August, 2010.



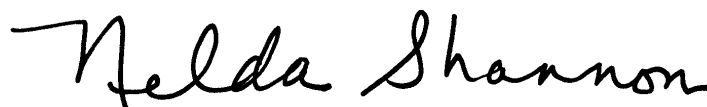
William M. Beatty
Securities Administrator

Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Nelda Shannon
Financial Examiner