

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING ) Order Number S-10-333-11-SC01  
Whether there has been a violation of the ) STATEMENT OF CHARGES AND NOTICE  
Business Opportunity Fraud Act of ) OF INTENT TO ENTER ORDER TO CEASE  
Washington by: ) AND DESIST  
)  
Westgate Advisors, Inc.; )  
Thomas Signorelli )  
)  
Respondents

THE STATE OF WASHINGTON TO: Westgate Advisors, Inc.;  
Thomas Signorelli

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Westgate Advisors, Inc. and Thomas Signorelli, have each violated the Business Opportunity Fraud Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 19.110.150 against each to cease and desist from such violations. The Securities Administrator finds as follows:

**TENTATIVE FINDINGS OF FACT**

Respondents

1. Westgate Advisors, Inc. ("Westgate") is a California corporation doing business as Westgate Business Finance. Westgate's principal place of business is 185 Front Street, Suite 200, Danville, California 94526. During the period relevant to this Statement of Charges, Westgate's principal place of business was 383 Diablo Road, Suite 100, Danville, California 94526.



1           10. Signorelli explained that Westgate was growing, and that Westgate had “deals”  
2 pending in Washington and Colorado. Signorelli also represented to the Washington resident that  
3 the telemarketing aspect of the business opportunity was in place and functional. Further,  
4 Signorelli represented to the Washington resident that he would earn \$100,000 per year as an  
5 associate of Westgate.  
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7           11. In November of 2008, the Washington resident wired the \$5,000 fee to Westgate.  
8 The Washington resident was lead to believe that he was the “exclusive territory representative”  
9 for Westgate in Washington.

10           12. Shortly thereafter, the Washington resident entered into an agreement entitled  
11 “Operating Agreement and Fee Sharing Agreement” with Westgate. The agreement was to last  
12 eighteen months, and provided that the purchaser was an independent contractor. The agreement  
13 also described the purchaser’s duties and compensation. The agreement obligated the purchaser  
14 to hold certain information received during the agreement’s term in confidence.

15           13. The Washington resident did not close any business debt transactions and,  
16 consequently, earned no income from his purchase of Westgate’s business opportunity.

17   Misrepresentations and Omissions

18           14. Westgate failed to provide material information concerning its business  
19 opportunity, including, but not limited to, a written disclosure document including financial  
20 statements of the company.  
21

22           15. Westgate failed to provide information to substantiate Signorelli’s guarantee of an  
23 annual income of \$100,000 made to the Washington resident.

24           16. Westgate did not provide the Washington resident with information concerning  
25 the risks inherent in purchasing a business opportunity from Westgate.

1 17. On two occasions, Westgate failed to contact potential clients in advance of the  
2 Washington resident meeting with the potential clients. The Washington resident was sent to  
3 meet with two potential clients by Westgate, only to be told that the potential clients had never  
4 heard of Westgate. Prior to the Washington resident’s purchase of the business opportunity,  
5 Signorelli had represented that Westgate would contact potential clients in advance of the  
6 purchaser meeting with such potential clients.

7 18. The telemarketing portion of Westgate’s business opportunity never materialized,  
8 notwithstanding representations to the Washington resident, made prior to his purchase of the  
9 business opportunity, that the telemarketing portion was in place and functioning.

10 Registration Status

11 18. Westgate Advisors, Inc. is not currently registered to sell its business  
12 opportunities in the state of Washington and has not previously been so registered.  
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14 **CONCLUSIONS OF LAW**

15 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:  
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17 1. The offer or sale of business opportunities described above constitutes the offer  
18 or sale of a business opportunity as defined in RCW 19.110.020.

19 2. The offer or sale of said business opportunities is in violation of RCW 19.110.050  
20 because no registration for such offer or sale is on file with the Securities Administrator.

21 3. The offer or sale of said business opportunities was made in violation of RCW  
22 19.110.070 because Respondents failed to provide prospective purchasers the required  
23 Disclosure Document.

24 4. The offer or sale of said business opportunities was made in violation of RCW  
25 19.110.120 because, as set forth in the Tentative Findings of Fact, Respondents made

1 misstatements of material facts or omitted to state material facts necessary in order to make the  
2 statements made, in light of the circumstances under which they were made, not misleading.

3  
4 **NOTICE OF INTENT TO ORDER RESPONDENTS TO CEASE AND DESIST**

5 Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities  
6 Administrator intends to order that Westgate Advisors, Inc. and Thomas Signorelli, their agents  
7 and employees each shall cease and desist from violations of RCW 19.110.050, RCW  
8 19.110.070 and RCW 19.110.120.  
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10 **AUTHORITY AND PROCEDURE**

11 This Order is entered pursuant to the provisions of RCW 19.110.150 and is subject to the  
12 provisions of RCW 34.05. Westgate Advisors, Inc. and Thomas Signorelli, may each make a  
13 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND  
14 AND OPPORTUNITY FOR HEARING accompanying this order.

15 If a respondent does not request a hearing, the Securities Administrator intends to adopt  
16 the above Tentative Findings of Fact and Conclusions of Law as final and enter an order to cease  
17 and desist permanent as to that respondent.  
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21 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**  
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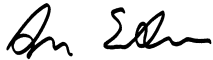
DATED and ENTERED this 18 day of February, 2011.



WILLIAM M. BEATTY  
Securities Administrator

Approved by:

Presented by:



SUZANNE SARASON  
Chief of Enforcement

Edward R. Thunen  
Enforcement Attorney