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

IN THE MATTER OF DETERMINING) Order No.: S-12-0977-12-TO01
Whether there has been a violation of the)
Securities Act of Washington by:) SUMMARY ORDER TO SUSPEND INVESTMENT
) ADVISER AND INVESTMENT ADVISER
PETERS & COMPANY, INC. P.S.;) REPRESENTATIVE REGISTRATIONS AND
STEPHEN F. PETERS) NOTICE OF INTENT TO REVOKE INVESTMENT
) ADVISER AND INVESTMENT ADVISER
Respondents.) REPRESENTATIVE REGISTRATIONS AND TO
IMPOSE FINES

THE STATE OF WASHINGTON TO: PETERS & COMPANY, INC. P.S.
STEPHEN F. PETERS

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that the Respondents, Peters & Company, Inc. P.S. and Stephen F. Peters, have violated the Securities Act of Washington and that their violations justify the entry of an order under RCW 21.20.110 to suspend or revoke Peters & Company, Inc. P.S.'s investment adviser and Stephen F. Peters' investment adviser representative registrations and under RCW 21.20.395 to impose a fine. Furthermore, the Securities Administrator finds that delay in ordering the suspension of the Respondent's license would be hazardous to investors and to the public and Peters & Company, Inc. P.S.'s investment adviser and Stephen F. Peters' investment adviser representative registrations should be suspended immediately.

The Securities Administrator finds as follows:

SUMMARY ORDER TO SUSPEND INVESTMENT
ADVISER AND INVESTMENT ADVISER
REPRESENTATIVE REGISTRATIONS AND NOTICE OF
INTENT TO REVOKE INVESTMENT ADVISER AND
INVESTMENT ADVISER REPRESENTATIVE
REGISTRATIONS AND TO IMPOSE FINES

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

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TENTATIVE FINDINGS OF FACT

I. Respondents

1. Peters & Company, Inc. P.S. (“Peters & Co”) is a corporation organized under the laws of the State of Washington with its principal place of business at 2448 76th Ave. S.E., Ste 207, Mercer Island, WA 98040-2744. The mailing address for Peters & Co is P.O. Box 170, Bellevue, WA 98007.

2. Peters & Co is currently registered as an investment adviser with the Securities Division pursuant to RCW 21.20.040 under file number 30001088. Peters & Co’s Investment Adviser Registration Depository (“IARD”) number is 0117159. Peters & Co’s fiscal year end is December 31.

3. Stephen F. Peters is the President and Registered Agent of Peters & Co. He is registered with the Securities Division as the sole investment adviser representative of Peters & Co. His Central Registration Depository (“CRD”) number is 2620655. He is not registered with any other investment adviser or federally covered adviser.

II. Nature of the Conduct

4. Each investment adviser registered with the Securities Division must make annual filings with the director within 90 days after the adviser’s fiscal year end.

5. An adviser must, under WAC 460-24A-060, file with the Securities Division a fiscal year end balance sheet. The Securities Division reviews these balance sheets to determine whether the advisers are compliant with the minimum financial requirements as set forth in WAC 460-24A-170.

6. An adviser must, under WAC 460-24A-205, file an annual updating amendment to its Form ADV with the IARD. This annual updating amendment must include any changes to Form ADV Part 1 and Form ADV Part 2.

1 7. The Securities Division reviews each Investment Adviser's balance sheet and annual amendments to
2 its Form ADV as a part of the Securities Division's mission to protect the public from dishonest or
3 fraudulent practices. This annual review is an important aspect of the Securities Division's regulatory
4 oversight of investment advisers.

5 8. Peters & Co has a history of failing to file its annual updates in a timely manner. Despite repeated
6 reminders Peters & Co did not make its 2011 annual filings within 90 days of its fiscal year ended 2011. On
7 August 19, 2011, the Securities Division filed a Statement of Charges against Peters & CO for violating
8 WAC 460-24A-060 and WAC 460-24A-205 by failing to make these filings. In response to that Statement
9 of Charges, Peters & Co filed its 2010 fiscal year end annual documents on October 4, 2011, 187 days after
10 its required filing deadline of March 31, 2011.

11 9. On February 13, 2012, March 19, 2012, and March 26, 2012, the Securities Division contacted Peters
12 & Co, by electronic mail sent to the contact email address listed on IARD, of its March 31, 2012 deadline to
13 make its 2012 annual filings for its fiscal year ended 2011. These emails included detailed instructions on
14 how to file the balance sheet and the IARD annual updating amendment. The emails also informed the
15 Respondents that the Securities Division would take action to suspend or revoke the Respondents' licenses if
16 the 2011 fiscal year end documents were not filed on or before the March 31, 2012 deadline.

17 10. As of the date of this Statement of Charges, the Respondents have not submitted Peters & Co's 2011
18 fiscal year end balance sheet or IARD annual updating amendment.
19

20
21 Based upon the above Findings of Fact, the following Conclusions of Law are made:

22 **CONCLUSIONS OF LAW**
23

1. As set forth in the Tentative Findings of Fact, PETERS & COMPANY, INC. P.S. has willfully violated WAC 460-24A-060 by failing to file a balance sheet for the year ended December 31, 2011. Such conduct constitutes grounds for an order to suspend or revoke investment adviser registration under RCW 21.20.110(1)(b).

2. As set forth in the Tentative Findings of Fact, PETERS & COMPANY, INC. P.S. has willfully violated WAC 460-24A-205 by failing to file its annual updating amendment to Form ADV Part 1 and Form ADV Part 2 with the IARD for the year ended December 31, 2011. Such conduct constitutes grounds for an order to suspend or revoke investment adviser registration under RCW 21.20.110(1)(b).

3. As set forth in the Tentative Findings of Fact, STEPHEN F. PETERS, as the person who controls Peters & Co is responsible for Peters & Co's violations of WAC 460-24A-060 and WAC 460-24A-205. Such conduct constitutes grounds for an order to suspend or revoke investment adviser representative registration under RCW 21.20.110(6).

4. The willful violations of WAC 460-24A-060 and WAC 460-24A-205 each constitute a ground for the entry of an order to impose fines under RCW 21.20.110(1).

EMERGENCY

The Securities Division has been unable to conduct its annual review of this registered investment adviser's business practices because Peters & Co has failed to make its required filings. Therefore, the Securities Administrator finds that an emergency exists, that the continued violations of WAC 460-24A-060 and WAC 460-24A-205 constitute a threat to the investing public, and that a summary order suspending the Respondents' investment adviser and investment adviser representative licenses is in the public interest and necessary for the protection of the investing public.

NOTICE OF INTENT TO REVOKE REGISTRATION

SUMMARY ORDER TO SUSPEND INVESTMENT
ADVISER AND INVESTMENT ADVISER
REPRESENTATIVE REGISTRATIONS AND NOTICE OF
INTENT TO REVOKE INVESTMENT ADVISER AND
INVESTMENT ADVISER REPRESENTATIVE
REGISTRATIONS AND TO IMPOSE FINES

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
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1 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and
2 Conclusions of Law, the Securities Administrator intends to order that PETERS & COMPANY, INC.
3 P.S.'s investment adviser registration be revoked.

4 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and
5 Conclusions of Law, the Securities Administrator intends to order that that STEPHEN F. PETERS's
6 investment adviser representative registration be revoked.

8 NOTICE OF INTENT TO IMPOSE FINES

9 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and
10 Conclusions of Law, the Securities Administrator intends to order that Respondents PETERS &
11 COMPANY, INC. P.S. and STEPHEN F. PETERS shall each be liable for and shall each pay a separate fine
12 of \$2,000.

13 SUMMARY ORDER

14 BASED ON THE FOREGOING:

15 NOW, THEREFORE IT IS HEREBY SUMMARILY ORDERED, under that authority of RCW
16 21.20.110(1) and (3) that Respondent, PETERS & COMPANY, INC. P.S.'s investment adviser registration
17 is suspended.
18

19 IT IS FURTHER SUMMARILY ORDERED, under the authority of RCW 21.20.110(1), (3), and (6)
20 that Respondent, STEPHEN F. PETERS's investment adviser representative registration is suspended.

21 AUTHORITY AND PROCEDURE

22 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject
23 to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. The respondents, PETERS & COMPANY,

1 INC. P.S. and STEPHEN F. PETERS, may each make a written request for a hearing as set forth in the
2 NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
3 Order. If a Respondent does not request a hearing, the Securities Administrator intends to adopt the
4 foregoing Tentative Findings of Fact and Conclusions of Law as final, and enter an order against the
5 Respondent revoking the Respondent's investment adviser or investment adviser representative registration
6 and imposing the fine sought.

7
8 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

9
10 Signed and Entered this 25th day of May, 2012.

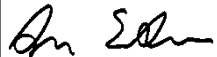
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14 William M. Beatty
Securities Administrator

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16 Approved by:

17 Presented by:

18 

19 

20 Suzanne Sarason
Chief of Enforcement

21 Elizabeth A. L. Smith
Financial Legal Examiner