

1 Because the annuity represented an inheritance from Client A's aunt, both Client A and Client B understood that
2 Client A would get the annuity death benefit upon the death of her aunt. However, under the terms of the annuity,
3 Client B was entitled to the annuity death benefit because he was listed as the primary beneficiary.

4 3. Client A's aunt passed away in December 2005. In January 2006, the insurance company holding the annuity
5 mailed a letter to Sawyer. It offered condolences for the loss of the annuitant, and it noted that the annuity was
6 payable to Client B, spouse of the insured. Sometime after her aunt's death, Client A asked Sawyer about the
7 inheritance from her aunt. Sawyer indicated that there was a problem with the beneficiary designation on the annuity,
8 but she was attempting to fix it.

9 4. On April 29, 2009, Sawyer opened a mailbox at The UPS Store in Federal Way. The next day, Sawyer
10 completed an Annuity Claim Form claiming the annuity death benefit from Client A's aunt. On the claim form, the
11 address for both Client B, the beneficiary, and Client A's aunt, the annuitant, matched the address of the mailbox
12 Sawyer had opened the day before. While the Annuity Claim Form was purportedly signed by Client B, he denies
13 completing or submitting the form.

14 5. The insurance company received the Annuity Claim Form on May 6, 2009, and Sawyer called the insurance
15 company asking about the death benefit on May 18, May 29, and June 8, 2009. Each time, she was told the claim had
16 not been processed because an original death certificate had not been provided. On July 17, 2009, Sawyer purchased
17 a death certificate for Client A's aunt. On July 27, 2009, the insurance company received a letter from Sawyer with
18 the death certificate enclosed. In the letter, Sawyer stated that the enclosed certificate should satisfy the requirement
19 of an original death certificate. On July 30, 2009, the insurance company issued Client B a check for \$148,361. The
20 check was mailed to Sawyer's mailbox, the address that was given for Client B on the Annuity Claim Form. Client B
21 denies having any knowledge of the annuity death benefit until 2011, and he denies receiving the death benefit.

22 6. On August 12, 2009, a person claiming to be Client B opened a bank account under Client B's name at
23 Qualstar Credit Union (Qualstar) in Tukwila. The address on the account matched the address of Sawyer's mailbox.
24 The annuity check for \$148,361, supposedly endorsed by Client B, was deposited into the account the same day the
25 account was opened.

7. On August 27, 2009, a \$6,000 check from the Qualstar account was written to Sawyer, a \$9,000 check from
the Qualstar account was written to Sawyer's husband, and a \$2,700 check from the Qualstar account was written to
Sawyer's father. Each of these checks was supposedly signed by Client B. Money from the account was also
withdrawn through ATMs and by check card for payments made to restaurants, gas stations, airlines, clothing stores,
shoe stores, internet and cable providers, supermarkets, and other retailers. By February 2010, the account had
become overdrawn. Client B denies opening the account, writing checks on the account, withdrawing from the
account, or having any knowledge of the account until 2011.

1 8. Sometime in the fall of 2009, Sawyer told Client A that the annuity from her aunt had lost value because of
2 the bad economy. Sawyer represented to Client A that the death benefit payable to Client A was \$83,000. Sawyer
3 suggested putting this money into a variable annuity to benefit Client A's children, and Client A assented. On
4 September 24, 2009, Sawyer completed a variable annuity application that listed Client A as the owner and annuitant
5 and Client A's children as beneficiaries. Sawyer signed Client A's name on the application. The initial purchase
6 payment was \$83,000. That same day, an \$83,000 check from the Qualstar account was written to the insurance
7 company. The memo line noted the check was for Client A, and the check was supposedly signed by Client B.

8 9. Client B became aware of the Qualstar account when he checked his credit report in the fall of 2011. After
9 some investigation, Client B filed a police report with the King County Sheriff claiming someone had opened a bank
10 account in his name. On November 14, 2011, Client B contacted PFS Investments, Inc., alleging that Sawyer had
11 obtained proceeds from a variable annuity that she was not entitled to. After the firm initiated an investigation into
12 the complaint, Sawyer verbally resigned from the firm on November 30, 2011.

13 *Criminal Action*

14 10. In March 2012, the King County Sheriff's Office recommended to the Prosecutor that Sawyer be charged
15 with Theft, Forgery, and Identity Theft in connection with her actions as described above. On October 20, 2012,
16 Sawyer pled guilty to one count of Identity Theft in the Second Degree. She was sentenced to 10 days of work
17 release and 240 hours of community restitution. She was also ordered to have no contact with Client B for five years.

18 *OIC Action*

19 11. Sawyer was a licensed insurance producer with OIC from September 1994 to July 2012. On July 2, 2012,
20 OIC entered an order revoking Sawyer's license pursuant to RCW 48.17.530. OIC determined that Sawyer's actions
21 as described above violated Washington insurance laws. It also determined that Sawyer misappropriated and
22 converted the annuity death benefit; that Sawyer forged the Annuity Claim Form and the variable annuity
23 application; and that Sawyer's actions as described above constituted the use of fraudulent or dishonest practices, or
24 demonstrated untrustworthiness.

25 *FINRA Action*

12. Sawyer was registered with PFS Investments, Inc., a FINRA member firm, from March 1996 to December
2012. Because Sawyer was associated with a FINRA member firm, she was required to comply with FINRA rules.
On August 17, 2012, FINRA initiated disciplinary action against Sawyer for violating FINRA Rules 2010 and 8210.
FINRA alleged that Sawyer violated FINRA Rule 2010 when she misappropriated death benefit funds, and it alleged
that Sawyer violated FINRA Rules 2010 and 8210 when she failed to provide information requested by FINRA
during its investigation. Sawyer failed to meaningfully respond to requests for information in letters from FINRA
dated December 29, 2011, May 3, 2012, and May 29, 2012. FINRA's action against Sawyer is pending.

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

2
3 **CONCLUSIONS OF LAW**

4 **I.**

5 Cecilia Cabasco Sawyer engaged in forgery and manipulative or deceptive practices when she claimed Client
6 B's annuity death benefit. As outlined in the Tentative Findings of Fact, Sawyer forged the Annuity Claim Form,
7 falsely opened a bank account under Client B's name, and deposited the proceeds payable to Client B into that bank
8 account. Such conduct is dishonest or unethical practice as described by WAC 460-22B-090, and it is grounds for a
9 fine, costs, and denial of any future securities registration applications pursuant to RCW 21.20.110(1)(g).

10 **II.**

11 Cecilia Cabasco Sawyer engaged in forgery and deceptive practices when she converted Client B's annuity
12 death benefit to her own use. As outlined in the Tentative Findings of Fact, Sawyer forged multiple checks on the
13 Qualstar account and withdrew money from the account for her own use. Such conduct is dishonest or unethical
14 practice as described by WAC 460-22B-090, and it is grounds for a fine, costs, and denial of any future securities
15 registration applications pursuant to RCW 21.20.110(1)(g).

16 **III.**

17 Cecilia Cabasco Sawyer engaged in forgery and incomplete disclosure or misstatement of material facts in
18 connection with Client A's 2009 variable annuity. As outlined in the Tentative Findings of Fact, Sawyer
19 misrepresented the value and the beneficiary of the death benefit to Client A, forged the 2009 variable annuity
20 application, and forged the check that was used to purchase the variable annuity. Such conduct is dishonest or
21 unethical practice as described by WAC 460-22B-090, and it is grounds for a fine, costs, and denial of any future
22 securities registration applications pursuant to RCW 21.20.110(1)(g).

23 **IV.**

24 Cecilia Cabasco Sawyer was convicted of Identity Theft in the Second Degree, which is a felony involving
25 moral turpitude. Such a conviction is grounds for a fine, costs, and denial of any future securities registration
26 applications pursuant to RCW 21.20.110(1)(c).

27 **V.**

28 Cecilia Cabasco Sawyer was the subject of an order by OIC revoking her insurance producer license because
29 she violated Washington insurance laws. This finding by OIC is grounds for a fine, costs, and denial of any future
30 securities registration applications pursuant to RCW 21.20.110(1)(f).

VI.

Cecilia Cabasco Sawyer violated FINRA Rule 2010: Standards of Commercial Honor and Principles of Trade, when she misappropriated death benefit funds and failed to provide information requested by FINRA in the course of its investigation. This failure to comply with an ethical standard promulgated by a self-regulatory organization is dishonest or unethical practice as described by WAC 460-22B-090(19), and it is grounds for a fine, costs, and denial of any future securities registration application pursuant to RCW 21.20.110(1)(g).

NOTICE OF INTENT TO DENY FUTURE REGISTRATIONS

Pursuant to RCW 21.20.110(1) and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to deny any broker-dealer, securities salesperson, investment adviser, or investment adviser representative registrations Cecilia Cabasco Sawyer may file in the future.

NOTICE OF INTENT TO IMPOSE A FINE

Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondent, Cecilia Cabasco Sawyer, shall be liable for and shall pay a fine of \$8,000.

NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.110(7), and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondent, Cecilia Cabasco Sawyer, shall be liable for and shall pay investigative costs of not less than \$2,000.

AUTHORITY AND PROCEDURE

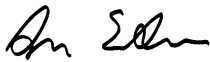
This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the provisions of Chapter 34.05 RCW. The respondent, Cecilia Cabasco Sawyer, may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. If a respondent does not make a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order to deny future registrations as to that respondent, to impose any fines sought against that respondent, and to charge any costs sought against that respondent.

Signed and Entered this 29th day of March 2013.



William M. Beatty
Securities Administrator

Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Holly Mack-Kretzler
Financial Legal Examiner

Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor