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

IN THE MATTER OF DETERMINING registration under the Securities Act of Washington of:

Order Number S-16-2092-17-CO01

MOORE WEALTH MANAGEMENT L.L.C.

CONSENT ORDER

(CRD No. 143378);

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CONSENT ORDER

THE STATE OF WASHINGTON TO: Moore Wealth Management, L.L.C., CRD No. 143378

#### INTRODUCTION

Respondent.

Pursuant to the Securities Act of Washington, Chapter 21.20 RCW, the Securities Administrator of the Department of Financial Institutions, Securities Division ("Securities Division") and the Respondent, Moore Wealth Management, L.L.C., do hereby enter into this Consent Order in settlement of the matters alleged herein. The Securities Division believes that entry of a Consent Order is in the public interest and is appropriate for the protection of investors.

## FINDINGS OF FACT

#### Respondent

1. Moore Wealth Management, L.L.C. is a Washington state registered investment adviser located in Renton, Washington. Karl Moore is a registered investment adviser representative and the principal of the firm. Moore's Central Registration Depository (CRD) number is 274907. The firm's CRD number is 143378.

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### *Nature of the Conduct*

- 2. As of its most recent Form ADV filing, Moore Wealth Management provides investment advisory services to approximately 293 accounts with \$40,620,000 of assets under management.
- 3. Moore Wealth Management has 2 employees that perform advisory functions and one nonadvisory employee.
- 4. In 2014, the Securities Division was notified that an unregistered individual was soliciting investment advisory business for Moore Wealth Management.
- The Securities Division alerted Moore Wealth Management to the issue. Moore Wealth 5. Management responded that the firm did not have a supervisory policy or procedure in place regarding the licensing of investment adviser representatives and an unregistered executive assistant, Kimberly Evans, thought that the individual could solicit for investment advisory clients even though the individual's registration was not yet approved. Moore Wealth Management also represented to the Securities Division that the unregistered investment adviser representative would stop soliciting until registered and drafted supervisory procedures for the registration of investment adviser representatives. In addition, Moore Wealth Management represented in writing that, since she was assisting with some of the functions of a chief compliance officer, Kimberly Evans would obtain registration as an investment adviser representative by April 30, 2016, and that any person who performed any functions of a chief compliance officer would be registered as an investment adviser representative. The Securities Division and Moore Wealth Management agreed that an examination of Moore Wealth Management would occur in approximately six months. The Securities Division relied on these representations when closing its inquiry into the matter.

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6. Evans failed to obtain registration as an investment adviser representative by April 30, 2016 because she did not take the required Series 65 examination. However, Evans continued to perform some of the functions of a chief compliance officer, such as she supervised an investment adviser representative under a heightened supervision plan to ensure compliance with the heightened supervision plan. In addition, she entered unsolicited trades for an investment adviser representative when the investment adviser representative was out of the office and unable to enter the trades.

7. On July 13, 2016, The Securities Division conducted an examination of Moore Wealth Management. During the examination, Evans informed the Securities Division that she did not intend to obtain registration. Moore Wealth Management did not provide the Securities Division this information prior to the Securities Division's examination.

8. Investment advisers are required to have policies and procedures reasonably designed to prevent violations of the Securities Act, the investment advisory rules, and the federal securities laws. However, the examination found that Moore Wealth Management did not have written policies or procedures covering supervision of investment adviser representatives and other employees. Specifically, Moore Wealth Management did not have policies or procedures related to the supervision of review and approval of client account profile forms, letters, financial plans, and reports; trading activity; and supervision of employees under a heightened supervision plan.

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

#### **CONCLUSIONS OF LAW**

1. Moore Wealth Management failed to comply WAC 460-24A-120 by providing investment advice to clients without adopting and implementing written policies and procedures reasonably designed to prevent violations of the Securities Act, the investment advisory rules, and the federal securities laws.

CONSENT ORDER

1	Such conduct justifies the entry of an order to cease and desist, the imposition of a fine, and charging costs	
2	under RCW 21.20.110(1)(b).	
3	2. Moore Wealth Management employed Kimberly Evans as an unregistered investment	
4	adviser representative in violation of RCW 21.20.040(5)(a). Such conduct justifies the entry of an order to	
5	cease and desist under RCW 31.20.390 and to impose a fine and charge costs under RCW 21.20.110(1)(b).	
6	CONSENT ORDER	
7	Based upon the foregoing and finding it in the public interest:	
8	IT IS AGREED AND ORDERED that Respondent will cease and desist from violating RCW	
9	21.20.040, the registration provision of the Securities Act.	
10	IT IS AGREED AND ORDERED that Respondent will not allow unregistered persons to perform	
11	any of the duties of a chief compliance officer or an investment adviser representative.	
12	IT IS AGREED AND ORDERED that Respondent will comply with WAC 460-24A-120 by	
13	implementing written policies and procedures covering the supervision of investment adviser	
14	representatives including the review and approval of client account forms, letters, financial plans, and	
15	reports; trading activity; and employees subject to a heightened supervision plan reasonably designed to	
16	prevent violations of the Securities Act, the investment advisory rules, and the federal securities laws.	
17	IT IS FURTHER AGREED AND ORDERED that Respondent shall be liable for and shall pay a	
18	fine of \$5,000.	
19	IT IS FURTHER AGREED AND ORDERED that Respondent shall be liable for and shall pay	
20	costs of \$1,500.	
21	IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent	
22	Order.	
23	CONSENT ORDER 4 DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division	
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IT IS FURTHER AGREED that Respondent enters into this Consent Order freely and voluntarily and with full understanding of its terms and significance. IT IS FURTHER AGREED that in consideration of the foregoing, Respondent waives its right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW. **AUTHORITY AND PROCEDURE** This Order is entered pursuant to the provisions of chapter 21.20 RCW and is subject to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. The Respondent was notified of its right to an administrative hearing and waived its right to a hearing. WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE. SIGNED this \_30<sup>th</sup>\_\_\_\_ day of June, 2018. Signed by: KARL MOORE, CRD 2749207 as Principal of MOORE WEALTH MANAGEMENT, LLC, CRD 143378 SIGNED and ENTERED this 1st day of August, 2018. WILLIAM M. BEATTY Securities Administrator Presented by: Approved by: Kriskn-Standifor CONSENT ORDER DEPARTMENT OF FINANCIAL INSTITUTIONS **Securities Division** PO Box 9033

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Suzanne Sarason Chief of Enforcement	Kristen Standifer Financial Legal Examiner
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