

1
2
3
4
5
6
7
8

**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-17-2343-19-CO01

CONSENT ORDER

GORDON BOLSTER ADVISORS, LLC
(CRD 167875) and GORDON BOLSTER
(CRD 4175826),

Respondents.

9 THE STATE OF WASHINGTON TO: Gordon Bolster Advisors, LLC, CRD 167875
10 Gordon Bolster, CRD 4175826

11
12

INTRODUCTION

13 On August 3, 2018, the Securities Administrator of the Department of Financial Institutions,
14 Securities Division (Securities Division) issued Statement of Charges, Order number S-17-2343-18-SC01
15 against Respondents, Gordon Bolster Advisors, LLC and Gordon Bolster. Pursuant to the Securities Act,
16 Chapter 21.20 RCW, Respondents and the Securities Division do hereby enter into this Consent Order in
17 settlement of the matters alleged herein. The Securities Administrator believes that entry of a Consent
18 Order is in the public interest and is appropriate for the protection of investors.

19

FINDINGS OF FACT

20

Respondents

21 1. Gordon Bolster Advisors, LLC (GBA) was registered as a Washington state investment
22 adviser from 2013 to December 31, 2017 when it failed to renew or withdraw its registration. The firm's
23 Central Registration Depository (CRD) number is 167875.

6. There is no record that USI-Tech registered its securities or filed a notice of a claim of an exemption from registration in Washington.

7. In or about 2017, Mr. Bolster introduced three Washington residents to USI-Tech who invested approximately \$12,700. Bolster received a 10% commission on each of the investments. After Bolster sold the unregistered securities, USI-Tech shut down its North American operations.

8. GBA did not disclose on its Form ADV that Bolster had an expectation of receiving compensation for selling the USI-Tech security. GBA should have amended its Form ADV to disclose this information before the sales occurred so that its clients could evaluate Bolster's conflict of interest when deciding whether to purchase the security.

9. Lastly, GBA and Bolster entered into an Agreement and Order no. 2017-7-18 with the Idaho Department of Finance, Securities Bureau, stating that Respondents provided investment advisory services from a place of business in Idaho without applying for registration as an investment adviser or investment adviser representative in Idaho. In the Order Respondents agreed that this conduct violated Idaho Uniform Securities Act and to pay a fine.

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

CONCLUSIONS OF LAW

1. Gordon Bolster Advisors failed to maintain a minimum financial requirement of \$10,000 in violation of WAC 460-24A-170(1). Pursuant to RCW 21.20.110(1)(b), such a violation is a basis to enter an order to deny future registrations, impose a fine, and charge costs.

2. Gordon Bolster Advisors failed to maintain financial records necessary to calculate its net worth as required by WAC 460-24A-200(1)(d). Pursuant to RCW 21.20.110(1)(b), such a violation is a basis to enter an order to deny future registrations, impose a fine, and charge costs.

1 3. The offer and sale of USI-Tech described above constitutes the offer and sale of a security as
2 defined in RCW 21.20.005(14) and (17).

3 4. Gordon Bolster sold unregistered securities in violation of RCW 21.20.140. Pursuant to
4 RCW 21.20.110(1)(b), such a violation is a basis to enter an order to deny future registrations, impose a
5 fine, and charge costs and is a basis to enter an order to cease and desist pursuant to RCW 21.20.390.

6 5. Gordon Bolster sold the USI-Tech securities while not being registered as a broker-dealer or
7 securities salesperson in violation of RCW 21.20.040. Pursuant to RCW 21.20.110(1)(b), such a violation is
8 a basis to enter an order to deny future registrations, impose a fine, and charge costs and is a basis to enter
9 an order to cease and desist pursuant to RCW 21.20.390.

10 6. Respondents are subject to the Idaho Agreement and Order no 2017-7-18 that states they
11 violated the Idaho Uniform Securities Act. Pursuant to RCW 21.20.110(1)(f), such Agreement and Order is
12 a basis to enter an order to deny future registrations, impose a fine, and charge costs.

13 7. Respondent Gordon Bolster as the person who controls Gordon Bolster Advisors is
14 responsible for Gordon Bolster Advisors' violations of the Securities Act. This is a basis to sanction him
15 under RCW 21.20.110(6) to the same extent as Gordon Bolster Advisors.

16 **CONSENT ORDER**

17 Based on the foregoing and finding it in the public interest:

18 IT IS AGREED AND ORDERED that Respondents will cease and desist from violations of the
19 RCW 21.20.040, the securities salesperson and broker-dealer registration section of the Securities Act of
20 Washington.

21 IT IS AGREED AND ORDERED that Respondents will cease and desist from violations of the
22 RCW 21.20.140, the securities registration section of the Securities Act of Washington.

1 IT IS AGREED AND ORDERED that any future broker-dealer or investment adviser registration
2 requests by Respondents shall be denied.

3 IT IS AGREED AND ORDERED that any securities salesperson or investment adviser
4 representative registration requests by Gordon Bolster shall be denied for a period of 2 years from the
5 entry of this consent order.

6 IT IS FURTHER AGREED AND ORDERED that Respondents shall be liable for and pay a fine of
7 \$10,000 and costs of \$2,500. The fine and costs are suspended until such time as Mr. Bolster applies for
8 Washington registration as an investment adviser, investment adviser representative, broker-dealer, or
9 securities salesperson.

10 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent
11 Order.

12 IT IS FURTHER AGREED that Respondents enter into this Consent Order freely and voluntarily
13 with full understanding of its terms and significance.

14 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent waives his right to a
15 hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

16 **AUTHORITY AND PROCEDURE**

17 This Consent Order is entered pursuant to the provisions of chapter 21.20 RCW and is subject to
18 the provisions of RCW 21.20.120 and Chapter 34.05 RCW. The Respondents have been notified of their
19 right to an administrative hearing and have waived that right.

20 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

21 Signed by:

22 Gordon Bolster Advisers, LLC

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

/s/ _____
Gordon Bolster, Manager

Signed by:

/s/ _____
Gordon Bolster, Individually

DATED and ENTERED this 25th day of March, 2019.



WILLIAM M. BEATTY
Securities Administrator

Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Kristen Standifer
Financial Legal Examiner