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**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-19-2706-19-CO01

CONSENT ORDER

BORIS DESANCIC (CRD 2642815),

Respondent.

8 THE STATE OF WASHINGTON TO: Boris Desancic, CRD 2642815

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**INTRODUCTION**

11 Pursuant to the Securities Act of Washington, Chapter 21.20 RCW, the Securities Administrator  
12 of the Department of Financial Institutions Securities Division (“Securities Division”) and the Respondent,  
13 Boris Desancic, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein.  
14 The Securities Division believes that entry of an agreed Consent Order is in the public interest and is  
15 appropriate for the protection of investors. The Securities Division and Respondents jointly set forth the  
16 following Findings of Fact and Conclusions of Law.

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**FINDINGS OF FACT**

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*Respondent*

1. Boris Desancic is a Washington resident and has a pending registration application as an  
20 investment adviser representative for PCG Wealth Advisers, LLC DBA PCG Wealth Management.  
21 Desancic’s Central Registration Depository (CRD) number is 2642815.

1 *Nature of the Conduct*

2 2. In 2001 Desancic registered as a securities salesperson and investment adviser  
3 representative of Waddell and Reed, Inc. He was continuously employed as such until he was terminated  
4 on April 25, 2019 for violating the firm's policy on private securities transactions.

5 3. In 2012, Desancic voluntarily disclosed to Waddell and Reed that his wife's business,  
6 Rspheres, Inc., would be selling securities. Waddell and Reed approved Mr. Desancic's disclosure of the  
7 private securities transactions under the condition that when an Rspheres' investor was identified Desancic  
8 would promptly provide the firm certain information and documents.

9 4. On at least two occasions, when the firm asked Mr. Desancic about the sales of securities,  
10 Mr. Desancic told the firm that the RSpheres did not sell securities.

11 5. However, contrary to Mr. Desancic's representations, RSpheres issued securities in the  
12 form of promissory notes to 12 investors that totaled \$328,275. Mr. Desancic incorrectly believed that the  
13 convertible promissory notes did not qualify as securities.

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

15 **CONCLUSIONS OF LAW**

16 1. Failing to disclose to his firm the requested information and documents regarding the sales of  
17 securities of Rspheres, Inc. violated WAC 460-24A-220(20) and RCW 21.20.020(1)(c). Such conduct is a  
18 basis to enter an order to condition a registration under RCW 21.20.110(1)(b).

19 2. Representing to his firm that RSpheres, Inc. did not sell securities when RSpheres issued  
20 promissory notes to 12 investors totaling \$328,275 violated WAC 460-24A-220(20) and RCW  
21 21.20.020(1)(c). Such conduct is a basis to enter an order to condition a registration under RCW  
22 21.20.110(1)(b).

1 **CONSENT ORDER**

2 Based upon the foregoing and finding it in the public interest:

3 IT IS AGREED and ORDERED that before an application for registration as an investment adviser  
4 representative or securities salesperson for Respondent is approved his sponsoring firm must provide the  
5 Securities Division with an acceptable plan of supervision that addresses compliance with the firm’s policy  
6 on private securities transactions. Such plan must be in place for at least two years and the Securities  
7 Division must be notified before the plan is modified or terminated.

8 IT IS FURTHER AGREED that Respondent will not be a principal, owner, officer, or director of an  
9 investment adviser or broker dealer for two years.

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

11 IT IS FURTHER AGREED that Respondent enters into this Consent Order freely and voluntarily and  
12 with full understanding of its terms and significance.

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

15 **AUTHORITY AND PROCEDURE**

16 This Order is entered pursuant to the provisions of chapter 21.20 RCW and is subject to the  
17 provisions of RCW 21.20.120 and Chapter 34.05 RCW. Respondent was notified of the right to an  
18 administrative hearing and waived it.

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1 SIGNED this 6<sup>th</sup> day of September, 2019.

2 By:

3  
4 /s/  
Avi Lipman, WSBA no. 37661  
5 Attorney for Boris Desancic

6 By:

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8 /s/  
9 Boris Desancic, CRD # 2642815

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11 DATED AND ENTERED this 17th day of September, 2019.

12 By:

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15 William M. Beatty  
Securities Administrator

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17 Approved by:

Presented by:

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21 Suzanne Sarason  
Chief of Enforcement

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21 Kristen Standifer  
Financial Legal Examiner

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23 CONSENT ORDER

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
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