

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Securities Act of Washington by:

5 John C. Brandy d/b/a Open Mind Generations;

6
7 Respondent

Order No.: S-19-2805-21-SC01

STATEMENT OF CHARGES AND
NOTICE OF INTENT TO
ENTER ORDER TO CEASE AND DESIST,
TO IMPOSE A FINE, TO CHARGE COSTS,
AND TO DENY REGISTRATIONS

8 THE STATE OF WASHINGTON TO: John C. Brandy (CRD No. 4887385)

9 **STATEMENT OF CHARGES**

10 Please take notice that the Securities Administrator of the State of Washington has reason to believe
11 that Respondent John C. Brandy d/b/a Open Mind Generations has violated the Securities Act of Washington.
12 The Securities Administrator believes those violations justify the entry of an order against the Respondent to
13 cease and desist from such violations and to charge costs pursuant to RCW 21.20.390, and under RCW
14 21.20.395, to impose a fine. The Securities Administrator finds as follows:

15 **TENTATIVE FINDINGS OF FACT**

16 **Respondent**

17 1. John C. Brandy d/b/a Open Mind Generations (“Brandy”) is a resident of Placerville,
18 California. Prior to living in California, Brandy was a resident of Mill Creek, Washington. Brandy’s Central
19 Registration Depository number is 4887385.

20 2. Between February 2005 and January 2014, Brandy was registered with the Securities Division
21 as a securities salesperson of Edward Jones. Between February 2007 and January 2014, Brandy was registered
22 as an investment adviser representative of Edward Jones. In January 2014, Edward Jones terminated Brandy
23

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

1 for providing inaccurate information during a compliance investigation of an unannounced and unauthorized
2 document shredding event that Brandy promoted to the public.

3 3. Between February 2014 and May 2014, Brandy was registered with the Securities Division as
4 an investment adviser representative of Columbia River Advisors. Brandy resigned from the firm in May
5 2014 after forwarding nonpublic, personal client information to his unsecure, personal email system. Between
6 May 2014 and September 2015, Brandy was registered with the Securities Division as a securities salesperson
7 and investment adviser representative of Conover Securities Corporation. In September 2015, the firm
8 terminated Brandy for having an undisclosed, unapproved outside business related to financial planning.

9 **Nature of the Conduct**

10 *John Brandy Provided Investment Advisory Services for Compensation*

11 4. Beginning no later than October 2015 and as recently as February 2020, Brandy provided
12 finance-related services to at least five Washington residents. These clients did not receive the services over
13 that entire period. However, each of the five clients received these services for at least two years cumulatively.

14 5. The clients provided compensation to Brandy for the services on a monthly basis. Four clients
15 paid between \$100 and \$102 for each month in which they received Brandy's advisory services. One client
16 paid over \$200 per month for Brandy's services.

17 6. Brandy counseled the clients as to the advisability of investing in securities. Brandy conferred
18 with one client about which investment company the client should invest in. At least three clients received
19 Brandy's advice on which stocks to purchase. Brandy also advised at least three of his clients about which
20 mutual funds to invest in. Furthermore, Brandy advised his clients on real estate investment trusts.

1 *Unethical Promotion of Brandy's Services*

2 7. Between no later than June 2016 and January 2020, Brandy operated the website
3 openmindgenerations.com (the "website"). In 2019, Brandy changed the website's URL to
4 omgenerations.com.

5 8. Brandy advertised his services on the website, presenting the services as packages that
6 provided ascending quantities of financial advice. These packages varied as to the duration of phone calls
7 with Brandy, and the comprehensiveness of the financial plan that Brandy would prepare for the purchaser.

8 9. Brandy referred to himself as a "Certified Financial Educator" ("CFE") on the website while
9 he was not registered as an investment adviser or an investment adviser representative with the Division.

10 10. Brandy continued to refer to himself as a CFE on the website after the owner of the designation,
11 the Heartland Institute of Financial Education, had revoked Brandy's CFE designation at the end of August
12 2019 for failing to pay a renewal fee.

13 **Registration Status**

14 11. Brandy is not currently registered as an investment adviser or investment adviser representative
15 in the State of Washington, and was not so registered during the period in question.

16 **CONCLUSIONS OF LAW**

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

18 1. John C. Brandy d/b/a Open Mind Generations acted as an investment adviser, as defined at
19 RCW 21.20.005(8) by providing the services described above for compensation. By doing so while not
20 registered as an investment adviser in the State of Washington, John C. Brandy d/b/a Open Mind Generations
21 has violated RCW 21.20.040(3).

22 2. John C. Brandy d/b/a Open Mind Generations' failure to remove all references to the Certified
23 Financial Educator designation from the website once he no longer held that designation constitutes a

1 dishonest or unethical business practice as defined at WAC 460-24A-220(22), and prohibited by RCW
2 21.20.020. This violation constitutes grounds to deny any investment adviser or investment adviser
3 representative registrations that John C. Brandy d/b/a Open Mind Generations may seek in the future.

4 3. These violations constitute grounds for entry of an order, pursuant to RCW 21.20.390, to cease
5 and desist, and to charge costs, and, pursuant to RCW 21.20.395, to impose a fine.

6 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

7 Pursuant to RCW 21.20.390(1) and based upon the above Tentative Findings of Fact and
8 Conclusions of Law, the Securities Administrator intends to order that John C. Brandy d/b/a Open Mind
9 Generations shall cease and desist from violations of RCW 21.20.020 and RCW 21.20.040.

10 **NOTICE OF INTENT TO IMPOSE A FINE**

11 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions
12 of Law, the Securities Administrator intends to order that John C. Brandy d/b/a Open Mind Generations
13 shall be liable for, and shall pay, a fine in the amount of \$5,000.

14 **NOTICE OF INTENT TO CHARGE COSTS**

15 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,
16 the Securities Administrator intends to order that John C. Brandy d/b/a Open Mind Generations shall be liable
17 for and shall pay the costs, fees, and other expenses incurred in the administrative investigation and hearing
18 of this matter, in an amount not less than \$1,000.

19 **NOTICE OF INTENT TO DENY REGISTRATIONS**

20 Pursuant to RCW 21.20.110(1)(b), and based upon the Tentative Findings of Fact and Conclusions
21 of Law, the Securities Administrator intends to order that any application for registration as an investment
22 adviser or investment adviser representative that John C. Brandy d/b/a Open Mind Generations may seek
23 shall be denied.

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, John C. Brandy d/b/a Open Mind Generations, 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 the 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 against the Respondent to cease and desist, to impose the fine sought, to charge the costs sought, and to deny investment adviser and investment adviser representative registrations.

Signed and Entered this 9th day of December 2021.



William M. Beatty
Securities Administrator

Presented by:

Approved by:



Edward R. Thunen
Financial Legal Examiner



Brian J. Guerard
Acting Chief of Enforcement