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STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

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

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

Respondent

THE STATE OF WASHINGTON TO:

Order No. S-19-2805-22-FO01

ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER TO CEASE AND DESIST, TO IMPOSE A FINE, TO CHARGE COSTS, AND TO DENY REGISTRATIONS

John C. Brandy, CRD No. 4887385

9 On December 9, 2021, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose a Fine, to Charge Costs, and to 10 Deny Registrations, Order No. S-19-2805-21-SC01 (the "Statement of Charges"). The Statement of Charges, together with a Notice of Opportunity for Hearing ("Notice") and an Application for Adjudicative 12 Hearing ("Application"), were served on Respondent John C. Brandy on January 26, 2022. The Notice 13 14 advised Respondent John C. Brandy that the Application must be received within twenty days from the date 15 of receipt of the Notice. Respondent John C. Brandy failed to request an administrative hearing within twenty days of receipt of the Notice. 16

The Securities Administrator therefore adopts as final the following Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enters a final order against Respondent John C. Brandy to cease and desist from violations of the Securities Act of Washington, to impose a \$5,000 fine, to charge \$1,000 in costs, and to deny any investment adviser or investment adviser representative registration that Respondent John C. Brandy may seek in the future.

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FINDINGS OF FACT

Respondent

 John C. Brandy d/b/a Open Mind Generations ("Brandy") is a resident of Placerville, California. Prior to living in California, Brandy was a resident of Mill Creek, Washington. Brandy's Central Registration Depository number is 4887385.

Between February 2005 and January 2014, Brandy was registered with the Securities Division
as a securities salesperson of Edward Jones. Between February 2007 and January 2014, Brandy was registered
as an investment adviser representative of Edward Jones. In January 2014, Edward Jones terminated Brandy
for providing inaccurate information during a compliance investigation of an unannounced and unauthorized
document shredding event that Brandy promoted to the public.

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

Nature of the Conduct

John Brandy Provided Investment Advisory Services for Compensation

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

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5. The clients provided compensation to Brandy for the services on a monthly basis. Four clients paid between \$100 and \$102 for each month in which they received Brandy's advisory services. One client paid over \$200 per month for Brandy's services. 3

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

Unethical Promotion of Brandy's Services

7. 9 Between no later than June 2016 and January 2020, Brandy operated the website openmindgenerations.com (the "website"). In 2019, Brandy changed the website's URL to 10 omgenerations.com. 11

8. Brandy advertised his services on the website, presenting the services as packages that 12 provided ascending quantities of financial advice. These packages varied as to the duration of phone calls 13 with Brandy, and the comprehensiveness of the financial plan that Brandy would prepare for the purchaser. 14

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

10. 17 Brandy continued to refer to himself as a CFE on the website after the owner of the designation, the Heartland Institute of Financial Education, had revoked Brandy's CFE designation at the end of August 18 2019 for failing to pay a renewal fee. 19

Registration Status

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

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CONCLUSIONS OF LAW

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

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

John C. Brandy d/b/a Open Mind Generations' failure to remove all references to the Certified
 Financial Educator designation from the website once he no longer held that designation constitutes a
 dishonest or unethical business practice as defined at WAC 460-24A-220(22), and prohibited by RCW
 21.20.020. This violation constitutes grounds to deny any investment adviser or investment adviser
 representative registrations that John C. Brandy d/b/a Open Mind Generations may seek in the future.

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

FINAL ORDER

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

IT IS HEREBY ORDERED that Respondent John C. Brandy d/b/a Open Mind Generations, and his agents and employees, shall each cease and desist from violations of RCW 21.20.020 and RCW 21.20.040. IT IS FURTHER ORDERED that Respondent John C. Brandy d/b/a Open Mind Generations shall be

liable for and pay a fine in the amount of \$5,000.

IT IS FURTHER ORDERED that Respondent John C. Brandy d/b/a Open Mind Generations shall be liable for and pay costs in the amount of \$1,000.

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IT IS FURTHER ORDERED that the Securities Administrator will deny any application for registration as an investment adviser, or investment adviser representative, that Respondent John C. Brandy d/b/a Open Mind Generations may file in the future.

AUTHORITY AND PROCEDURE

This FINAL ORDER is entered pursuant to RCW 21.20.390 and is subject to Chapter 34.05 RCW. Respondent has the right to petition the superior court for judicial review of this agency action under Part V of Chapter 34.05 RCW. Pursuant to RCW 21.20.395(4), a certified copy of this Final Order may be filed in superior court. If so filed, the clerk shall treat the Final Order in the same manner as a superior court judgment as to the fine, and the fine may be recorded, enforced, or satisfied in like manner.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

SIGNED and ENTERED this <u>11th</u> day of <u>March</u>, 2022.

William M. Beatty Securities Administrator

Approved by:

Brian J. Guerard Chief of Enforcement

Presented by:

Juan Munen

Edward R. Thunen Financial Legal Examiner

FINAL ORDER

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