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

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IN THE MATTER OF DETERMINING) Order No.: S-20-3011-20-TO01
Whether there has been a violation of the)
Securities Act of Washington by:) SUMMARY ORDER TO SUSPEND REGISTRATIONS
AND NOTICE OF INTENT TO REVOKE
Sun Asset Management, Inc., CRD 140435,) REGISTRATIONS, IMPOSE FINES, AND CHARGE
and Kevin Liu, CRD 4394803,) COSTS
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Respondents.)
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THE STATE OF WASHINGTON TO: Sun Asset Management, Inc., CRD 140435
Kevin Liu, CRD 4394803

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents have violated the Securities Act of Washington. The Securities Administrator believes those violations justify the entry of an order summarily suspending Sun Asset Management, Inc.'s investment adviser registration and Kevin Liu's investment adviser representative registration and giving notice of the intent to revoke Respondents' registrations, to impose fines, and to charge costs pursuant to RCW 21.20.110. The Securities Administrator finds that a delay in suspending Respondents' registrations would be hazardous to investors and to the public interest and that this Summary Order should be entered immediately. The Securities Administrator finds as follows:

1 **TENTATIVE FINDINGS OF FACT**

2 **Respondents**

3 1. Sun Asset Management, Inc. (“Sun Asset Management”) is a Wyoming corporation with a
4 principal office in Bellevue, Washington and has been registered as an investment adviser with the
5 Washington State Securities Division (“Securities Division”) since 2006. The investment adviser’s Central
6 Registration Depository (“CRD”) number is 140435.

7 2. Kevin Liu is an investment adviser representative and owner of Sun Asset Management. Mr.
8 Liu’s CRD number is 4394803.

9 **Nature of the Conduct**

10 3. Each investment adviser registered with the Securities Division must, under RCW
11 21.20.100(4) make its books and records available to the Securities Division for periodic examination.

12 4. The Securities Division conducts examinations of the books and records of investment
13 advisers to verify investment advisers are complying with the Securities Act and providing proper disclosure
14 to clients.

15 5. From July 9, 2020, to September 21, 2020, the Securities Division made multiple attempts to
16 schedule an examination of Sun Asset Management. The examination would involve a call between the
17 Securities Division and Sun Asset Management, with Sun Asset Management providing requested
18 documents to the Securities Division via cloud system in advance of the call. The examination would not
19 require travel by representatives of Sun Asset Management or the Securities Division.

20 6. After initially agreeing to an examination date of August 27, 2020, Respondents repeatedly
21 asked for an extension to the examination date and asked about possible exemptions to examination. On
22 August 24, September 1, and September 21, the Securities Division offered to reschedule the examination
23 for mid-October, but Respondents did not accept this offer.

24 7. Mr. Liu informed the Securities Division that he is located in Hong Kong and that Sun Asset
25 Management has one client. He further indicated to the Securities Division that he does not have access to

1 some documents from his location, although the content of these documents was not specified. The
2 Securities Division instructed Respondents to provide any and all requested documents that are accessible.

3 8. On September 21, 2020, the Securities Division informed Respondents by email that it was
4 necessary that Respondents select a date for the examination in the range of October 12-16. Otherwise, the
5 matter would be referred to enforcement for suspension of license.

6 9. Respondents replied to the Securities Division by email on September 24, 2020. In their
7 reply, Respondents did not agree to one of the proposed dates but rather reiterated their interest in an
8 exemption or extension.

9 10. After Respondents' September 24, 2020 email, the Securities Division has received no
10 further communication from Respondents.

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

12 **CONCLUSIONS OF LAW**

13 1. Respondent Sun Asset Management has willfully violated RCW 21.20.100(4) by failing to
14 make its books and records available to the Securities Division for examination. Such conduct is grounds for
15 an order to suspend and revoke an investment adviser registration under RCW 21.20.110(1)(b), impose a
16 fine under RCW 21.20.110(1), and charge costs under RCW 21.20.110(7).

17 2. Kevin Liu as the person who controls Sun Asset Management is responsible for its violations
18 of RCW 21.20.100. Such conduct is grounds for an order to suspend and revoke an investment adviser
19 representative registration under RCW 21.20.110(6), impose a fine under RCW 21.20.110(1), and charge
20 costs under RCW 21.20.110(7).

21 **EMERGENCY**

22 The Securities Division has been unable to determine whether Sun Asset Management is
23 safeguarding investor assets or providing investors with proper disclosure. Therefore, the Securities
24 Administrator finds that an emergency exists, that the continued violations of RCW 21.20.100(4) constitute
25 a threat to the investing public, and a summary order suspending Sun Asset Management's investment

1 adviser registration and Kevin Liu's investment adviser representative registration is in the public interest
2 and necessary for the protection of the investing public.

3 **NOTICE OF INTENT TO REVOKE REGISTRATIONS**

4 Pursuant to RCW 21.20.110(1), and based upon the Tentative Findings of Fact and Conclusions of
5 Law, the Securities Administrator intends to enter an order revoking the investment adviser registration of
6 Sun Asset Management and the investment adviser representative registration of Kevin Liu.

7 **NOTICE OF INTENT TO IMPOSE FINES**

8 Pursuant to RCW 21.20.110(1), and based upon the Tentative Findings of Fact and Conclusions of
9 Law, the Securities Administrator intends to order that Respondents each shall be liable for and shall pay a
10 fine of at least \$1,000.

11 **NOTICE OF INTENT TO CHARGE COSTS**

12 Pursuant to RCW 21.20.110(7), and based upon the above Tentative Findings of Fact and
13 Conclusions of Law, the Securities Administrator intends to order that Respondents each shall be liable for
14 and shall pay costs of at least \$200.

15 **SUMMARY ORDER**

16 Based upon the foregoing,

17 NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED under the authority of RCW
18 21.20.110(1) and (3) that the investment adviser registration of Sun Asset Management and the investment
19 adviser representative registration of Kevin Liu are suspended pending a final determination in this
20 proceeding.

21 **AUTHORITY AND PROCEDURE**

22 This Order is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the
23 provisions of Chapter 34.05 RCW. The Respondents may make a written request for a hearing as set forth
24 in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying
25 this Order. If a respondent does not request a hearing in the allowed time, the Securities Administrator

1 intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and enter an order
2 revoking the respondent's registration and imposing the fine and charging the costs sought.

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4 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

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6 SIGNED AND ENTERED THIS 15th day of October, 2020.

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William M. Beatty
Securities Administrator

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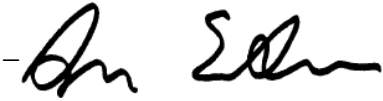
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Approved by:

Presented by:

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Suzanne Sarason
Chief of Enforcement

Brook Kellerman
Compliance Legal Examiner

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