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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:

BARNES CAPITAL, INC. (CRD 140572) and
DANIEL BARNES (CRD 5143840),

Respondents.

Order Number: S-21-3166-22-CO01

CONSENT ORDER

8 THE STATE OF WASHINGTON TO: BARNES CAPITAL, INC. (CRD 140572) and
9 DANIEL BARNES (CRD 5143840)

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INTRODUCTION

14 Pursuant to the Securities Act of Washington, Chapter 21.20 RCW, the Securities Administrator
15 of the Department of Financial Institutions, Securities Division (“Securities Division”) and the
16 Respondents, Barnes Capital, Inc. and Daniel Barnes, do hereby enter into this Consent Order in
17 settlement of the matters alleged herein. The Securities Division believes that entry of an agreed Consent
18 Order is in the public interest and is appropriate for the protection of investors. The Securities Division and
19 Respondents jointly set forth the following Findings of Fact and Conclusions of Law.

1 **FINDINGS OF FACT**

2 *Respondents*

3 1. Respondent Barnes Capital, Inc. (“Barnes Capital”) was a California corporation that was
4 dissolved on March 29, 2021. It was registered as an investment adviser in California from May 9, 2006 to
5 May 8, 2021. It has never been licensed to conduct business as an investment adviser in Washington state.
6 Barnes Capital’s Central Registration Depository (CRD) number is 140572.

7 2. Respondent Daniel Barnes is a resident of Seattle, Washington. Mr. Barnes was the
8 president, owner, and chief compliance officer of Barnes Capital, as well as its sole investment adviser
9 representative. From August 10, 2006 to May 8, 2021, he was licensed in California as investment adviser
10 representative of Barnes Capital. At no time was Mr. Barnes registered in Washington as an investment
11 adviser representative of Barnes Capital. Since September 1, 2020, he has been licensed in California and
12 Washington as an investment adviser representative of a federally registered adviser. His CRD number is
13 5143840.

14 *Nature of the Conduct*

15 3. In January of 2019, Mr. Barnes moved from California to Washington. From January 2019
16 to December 2020, he provided investment advisory services for compensation for Barnes Capital clients
17 from Seattle, Washington.

18 4. From January 2019 to December 2020, Respondents provided investment advice for
19 compensation in Washington and collected fees for investment advisory services.

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

1 **CONCLUSIONS OF LAW**

2 1. Barnes Capital transacted investment advisory business in Washington for compensation
3 without being registered as an investment adviser in violation of RCW 21.20.040(3). Such a violation is a
4 basis to enter an order to impose a fine pursuant to RCW 21.20.395(1) and to cease and desist pursuant to
5 RCW 21.20.390(1).

6 2. Mr. Barnes transacted investment advisory business in Washington for compensation without
7 being registered as an investment adviser or an investment adviser representative in violation of RCW
8 21.20.040(3). Such a violation is a basis to enter an order to impose a fine pursuant to RCW 21.20.110(1)
9 and to cease and desist pursuant to RCW 21.20.390(1).

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

11 **CONSENT ORDER**

12 IT IS AGREED AND ORDERED that Respondents shall cease and desist from violations of RCW
13 21.20.040(3).

14 IT IS FURTHER AGREED AND ORDERED that Respondents shall be liable for and pay a fine of
15 \$20,000 prior to the entry of this Consent Order.

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

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

20 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents waive their right to
21 a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

1 **AUTHORITY AND PROCEDURE**

2 This Consent Order is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to
3 the provisions of RCW 21.20.120 and Chapter 34.05 RCW. Respondents have been notified of their right
4 to an administrative hearing and have waived that right.

5 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

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7 SIGNED this 29 day of April, 2022.

8 Signed by:

9
10 /s/
11 Daniel Barnes (CRD 5143840)
12 Individually and
as President and Chief Compliance Officer of Barnes Capital, Inc. (CRD 140572)

13 DATED and ENTERED this 23rd day of May, 2022.

14
15 /s/
16 WILLIAM M. BEATTY
17 Securities Administrator

18 Approved by:

Presented by:

19
20 /s/
21 Brian Guerard
22 Chief of Enforcement

20 /s/
21 Brook Kellerman
22 Compliance Legal Examiner