

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 Michael Glick;
Cape Point Wealth and Tax Management LLC;

6 Respondents
7

Order No.: S-22-3264-23-SC01

STATEMENT OF CHARGES AND
NOTICE OF INTENT TO
ENTER ORDER TO PERMANENTLY
BAR REGISTRATIONS, CEASE AND DESIST,
IMPOSE FINES, CHARGE COSTS,
AND REQUIRE RESTITUTION

8 THE STATE OF WASHINGTON TO:

Michael Glick (CRD #4798927)
Cape Point Wealth and Tax Management LLC (CRD
#305344)
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10 **STATEMENT OF CHARGES**

11 Please take notice that the Securities Administrator of the State of Washington has reason to believe
12 that Respondents Michael Glick and Cape Point Wealth and Tax Management LLC have each violated the
13 Securities Act of Washington. The Securities Administrator believes those violations justify the entry of an
14 order against the Respondents to cease and desist from such violations, charge costs, and require restitution
15 pursuant to RCW 21.20.390, to impose a fine under RCW 21.20.395, and to permanently bar the Respondents
16 from the securities industry in Washington under RCW 21.20.110. The Securities Administrator finds as
17 follows:

18 **TENTATIVE FINDINGS OF FACT**

19 **Respondent**

20 1. Michael Glick (“Glick”) is a former registered investment adviser representative and securities
21 salesperson in Washington. Glick was registered in the securities industry in Washington with various
22 financial firms as a securities salesperson and investment adviser representative from April 2004 to July 2019,
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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
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1 and as an investment adviser representative of his own firm, Cape Point Wealth and Tax Management LLC,
2 from September 6, 2019 to April 14, 2021. Glick resided in Mercer Island, Washington from approximately
3 January 2015 to April 2022; his current whereabouts are unknown. Glick's Central Registration Depository
4 ("CRD") number is 4798927.

5 2. Cape Point Wealth and Tax Management LLC ("Cape Point") was a Washington limited
6 liability company, originally formed on April 23, 2010. Glick has been the sole owner and employee of Cape
7 Point at all times relevant to this action. Glick conducted his investment adviser business through Cape Point,
8 initially as an affiliate of a larger broker-dealer and later as an independent investment adviser. The
9 Washington Secretary of State administratively dissolved Cape Point on September 3, 2020, after Glick failed
10 to file a required annual report. Cape Point's CRD number is 305344. As described further below, both Glick
11 and Cape Point's registrations with the Securities Division have been revoked since April 2021 as a result of
12 a Securities Division enforcement action.

13 **Related Persons**

14 3. TD Ameritrade, Inc. ("TD Ameritrade") is a registered broker-dealer. Cape Point, while
15 registered as an investment adviser from September 2019 to April 2021, used TD Ameritrade as the asset
16 custodian and broker-dealer for its client accounts. TD Ameritrade's CRD number is 7870.

17 **Nature of the Conduct**

18 **Overview**

19 4. From April 2021 to at least April 2022, after a Securities Division enforcement action revoked
20 their registrations in the securities industry in Washington, Glick and Cape Point took approximately \$300,000
21 of payments from his former Cape Point clients for investment advisory services. Glick and Cape Point did
22 not inform clients of the Securities Division enforcement action, their bar from the financial industry in
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1 Washington, or the fact that TD Ameritrade was terminating their relationship. Glick and Cape Point
2 ultimately did not provide the services for which Cape Point clients paid, and ignored requests from at least
3 two clients to refund their payments.

4 **Background: Securities Division Action and License Revocation**

5 5. For most of his career in the financial industry, Glick was affiliated with large financial firms,
6 most recently Commonwealth Financial Network (“Commonwealth”) from April 2010 to July 2019. Glick
7 left Commonwealth on July 1, 2019; the firm’s filings state that Glick was “Permitted to Resign” and that the
8 firm was “uncomfortable with [Glick’s] level of debt.” After his resignation from Commonwealth, Glick
9 applied to the Securities Division to register Cape Point as an investment adviser, with the intent of operating
10 as a sole practitioner. The Securities Division granted Cape Point’s registration as an investment adviser, and
11 Glick’s registration as an investment adviser representative, on September 6, 2019.

12 6. On December 31, 2020, the Securities Division issued a Statement of Charges and Notice of
13 Intent to Enter an Order to Revoke Registrations, Impose Fines, and Charge Costs (“Statement of Charges”),
14 Order No. S-20-2944-20-SC01, against Cape Point and Glick. As set forth in the Statement of Charges, the
15 Securities Division alleged that Cape Point failed to file its required year-end balance sheet for 2019, along
16 with other required updates to its Form ADV, a registration form used by investment advisers. The Statement
17 of Charges notified Cape Point and Glick that the Securities Division intended to revoke their investment
18 adviser and investment adviser representative registrations as a result of their failure to file the required
19 balance sheet and Form ADV updates. The Securities Division sent this Statement of Charges via mail to
20 Glick’s residential address and to Cape Point’s business address, both of which Glick and Cape Point had

1 certified were accurate as part of their registration with the Securities Division; it also sent a copy via email
2 to Glick.¹

3 7. Glick and Cape Point did not request a hearing on, or otherwise respond to, the Statement of
4 Charges. Due to this failure to respond, the Securities Division issued Final Order No. S-20-2944-21-FO01
5 on April 1, 2021. The Final Order revoked Glick and Cape Point's registrations with the Securities Division
6 and ordered Glick and Cape Point each to individually pay a fine of \$1,000, and to collectively pay
7 investigative costs of \$200. To date, Glick and Cape Point have not paid these fines or investigative costs. As
8 a result of the Final Order, Glick and Cape Point have not been legally allowed to transact investment adviser
9 business for compensation in Washington since April 1, 2021.²

10 **Background: TD Ameritrade**

11 8. As noted above, Glick and Cape Point used TD Ameritrade as the custodian and broker-dealer
12 for Cape Point client accounts. In November 2020, after Glick repeatedly failed to respond to the firm's
13 information requests about certain billing practices, TD Ameritrade disabled Glick and Cape Point's ability
14 to directly withdraw management fees from clients' securities accounts. Glick then asked Cape Point clients
15 to pay their fees for the beginning of 2021 directly to his bank account, which most or all of his clients did.
16 Glick's clients paid him approximately \$175,000 from January 1, 2021 through March 31, 2021. During this
17 time, Glick did not inform his clients about the Securities Division's Statement of Charges against him.

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21 ¹ Washington law requires investment adviser registrants to file updates to their registration forms within 30 days of events which
22 materially change the contents of the registration forms. *See* WAC 460-24A-205. During all times relevant to this matter, neither
23 Glick nor Cape Point filed any updated addresses with the Securities Division. Glick's former landlord has also confirmed that he
resided at his most recently registered Mercer Island address until approximately April 2022.

² Glick and Cape Point have not been registered in the financial industry in any other jurisdiction at any time relevant to this
action.

1 9. On or about March 9, 2021, TD Ameritrade sent Glick a letter informing him that it had decided
2 to terminate its relationship with Cape Point “due in part to concerns with [Cape Point’s] management fee
3 billing practices.” The letter noted that TD Ameritrade had “made multiple attempts to contact [Glick] by
4 phone with no answer,” and informed Glick that Cape Point’s agreements with TD Ameritrade would be
5 terminated effective June 7, 2021.

6 **Glick’s Actions in Response**

7 10. Throughout early 2021 to mid-2021, Glick did not inform his clients that the Securities
8 Division had revoked his license, that TD Ameritrade was terminating its relationship with Cape Point, or that
9 he would not be able to find a new broker-dealer without being appropriately licensed. Rather, Glick continued
10 to bill his clients for investment adviser services which he was no longer legally allowed to provide. As he
11 did during the first quarter of 2021, Glick asked clients to send payments directly to his bank account.

12 11. From April 2021 through April 2022, Glick billed, and received payments from, approximately
13 20 Cape Point clients for investment adviser services. The clients interviewed by the Securities Division
14 indicated that their understanding was that Glick would continue to provide the same portfolio management
15 services that he had previously provided to them. Glick knew, or was reckless in not knowing, that (a) he was
16 not legally allowed to provide these services due to the Securities Division’s license revocation, and (b) with
17 Cape Point’s relationship with TD Ameritrade terminated, he would not be able to provide the services without
18 finding a new broker-dealer. In total, Glick received just under \$300,000 from Cape Point clients from April
19 2021 through April 2022. Each former client interviewed by the Securities Division indicated that Glick
20 provided them with only minimal services, or with no services at all, after receiving such payments.

21 12. Glick also misled or failed to inform at least some clients about both (a) the fact that TD
22 Ameritrade was terminating its relationship with Cape Point and (b) TD Ameritrade’s reasons for the
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1 termination. For instance, in a March 2021 email to one client, Glick claimed that TD Ameritrade was
2 terminating their relationship because TD Ameritrade did not understand Glick's strategy of having clients
3 with Roth IRAs pay their fees using money from outside the Roth account, and also implied that TD
4 Ameritrade was terminating smaller advisers from the platform for financial reasons. Glick was aware that
5 TD Ameritrade's actual concerns were that he had double-billed at least one client for their advisory fees, had
6 failed to respond to several inquiries from TD Ameritrade about his plans to remedy that double-billing, and
7 more generally had not timely responded to (or had completely ignored) several other requests from TD
8 Ameritrade. In another instance, Glick billed and received payment from one client for investment adviser
9 services in mid-2021, shortly before TD Ameritrade notified the client that Glick was terminated from the
10 platform. When the client confronted Glick about having paid for services which Glick would not be able to
11 provide, Glick responded that he thought it would be okay because of what he had done for that client in the
12 past. Glick ignored requests from that client, and at least one other client, to refund the fees which they had
13 paid.

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

15 CONCLUSIONS OF LAW

- 16 1. Cape Point Wealth and Tax Management LLC was an investment adviser, as defined by RCW
17 21.20.005(8), because it engaged, for compensation, in the business of advising others as to the value of
18 securities.
- 19 2. Michael Glick was an investment adviser representative, as defined by RCW 21.20.005(9),
20 because he was employed by or associated with an investment adviser and made recommendations regarding
21 securities, managed accounts of clients, and sold investment advisory services.

1 3. Michael Glick and Cape Point Wealth and Tax Management LLC have each violated RCW
2 21.20.020(1)(b) because, as set forth in the Tentative Findings of Fact, they engaged in acts, practices, or
3 courses of business which operated or would operate as a fraud or deceit upon their former clients, by taking
4 payment for investment adviser services which they were legally prohibited from providing, and by failing to
5 provide services for which clients paid. Such conduct is grounds for an order to permanently deny investment
6 adviser and investment adviser representative registrations under RCW 21.20.110(1)(b), to impose fines under
7 RCW 21.20.110(1) and RCW 21.20.395, to charge costs under RCW 21.20.110(7) and RCW 21.20.390, and
8 to require restitution under RCW 21.20.390(1).

9 4. Cape Point Wealth and Tax Management LLC and Michael Glick have each violated RCW
10 21.20.040(3) by transacting business as an investment adviser and investment adviser representative without
11 being registered or exempt from registration as such. Such conduct is grounds for an order to permanently
12 deny investment adviser and investment adviser representative registrations under RCW 21.20.110(1)(b), to
13 impose fines under RCW 21.20.110(1) and RCW 21.20.395, to charge costs under RCW 21.20.110(7) and
14 RCW 21.20.390, and to require restitution under RCW 21.20.390(1).

15 5. Cape Point Wealth and Tax Management LLC and Michael Glick have each knowingly or
16 recklessly violated DFI Securities Division Order No. S-20-2944-21-FO01, which prohibited them from
17 conducting investment adviser business for compensation in Washington. Such violation is grounds for the
18 imposition of a fine of up to \$25,000 per violation under RCW 21.20.395(2).

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

20 Based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator
21 intends to order, pursuant to RCW 21.20.390(1), that Respondents Michael Glick and Cape Point Wealth and
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1 Tax Management LLC, and their agents and employees, each shall cease and desist from violations of RCW
2 21.20.020 and RCW 21.20.040.

3 **NOTICE OF INTENT TO IMPOSE FINES**

4 Pursuant to RCW 21.20.110 and RCW 21.20.395, and based upon the Tentative Findings of Fact and
5 Conclusions of Law, the Securities Administrator intends to order that Respondents Michael Glick and Cape
6 Point Wealth and Tax Management LLC shall be jointly and severally liable for and shall pay a fine of
7 \$125,000.

8 **NOTICE OF INTENT TO CHARGE COSTS**

9 Pursuant to RCW 21.20.110 and RCW 21.20.390, and based upon the Tentative Findings of Fact and
10 Conclusions of Law, the Securities Administrator intends to order that Respondents Michael Glick and Cape
11 Point Wealth and Tax Management LLC shall be jointly liable for and shall pay the costs, fees, and other
12 expenses incurred in the administrative investigation and hearing of this matter, in an amount not less than
13 \$5,000.

14 **NOTICE OF INTENT TO PERMANENTLY DENY REGISTRATION**

15 Pursuant to RCW 21.20.110(1), and based upon the Tentative Findings of Fact and Conclusions of
16 Law, the Securities Administrator intends to order that any applications for registration as an investment
17 adviser, investment adviser representative, broker-dealer, or securities salesperson by Respondents Cape Point
18 Wealth and Tax Management LLC and Michael Glick, or any entity under Michael Glick's control, shall be
19 permanently denied.

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1 **NOTICE OF INTENT TO REQUIRE RESTITUTION**

2 Pursuant to RCW 21.20.390(1), and based upon the Tentative Findings of Fact and Conclusions of
3 Law, the Securities Administrator intends to order that Respondent Michael Glick shall refund all payments
4 which he received from clients after April 1, 2021.

5 **AUTHORITY AND PROCEDURE**

6 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject
7 to the provisions of Chapter 34.05 RCW. The Respondents, Michael Glick and Cape Point Wealth and Tax
8 Management LLC, may each make a written request for a hearing as set forth in the Notice of Opportunity
9 for Hearing accompanying this Order. If a Respondent does not make a hearing request in the time allowed,
10 the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law
11 as final and to enter a permanent order to cease and desist as to that Respondent, to impose any fines sought
12 against that respondent, and to charge any costs sought against that Respondent.

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Signed and Entered this 13th day of April, 2023.



A handwritten signature in black ink that reads "William M. Beatty".

William M. Beatty
Securities Administrator

Approved by:

A handwritten signature in black ink that reads "Brian J. Guerard".

Brian J. Guerard
Chief of Enforcement

Presented by:

A handwritten signature in black ink that reads "Adam N. Yeaton".

Adam N. Yeaton
Financial Legal Examiner

Reviewed by:

A handwritten signature in black ink that reads "Holly Mack-Kretzler".

Holly Mack-Kretzler
Financial Legal Examiner Supervisor

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