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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:

Compass Capital Advisors, L.L.C.;  
Christopher B. Nicholson;

Respondents.

Order Number: S-23-3514-23-CO01

CONSENT ORDER

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**INTRODUCTION**

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On November 3, 2023, the Securities Administrator of the Securities Division of the Department of Financial Institutions (“Securities Division”) issued a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose Fines, and to Charge Costs (“Statement of Charges”), Order Number S-23-3514-23-SC01, against Respondents Compass Capital Advisors L.L.C. and Christopher B. Nicholson. Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division and Respondents Compass Capital Advisors L.L.C. and Christopher B. Nicholson do hereby enter into this Consent Order in settlement of the matters set forth in the Statement of Charges and as alleged below. Respondents Compass Capital Advisors L.L.C. and Christopher B. Nicholson neither admit nor deny the Findings of Fact and Conclusions of Law as stated below.

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**FINDINGS OF FACT**

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**Respondents**

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1. Compass Capital Advisors L.L.C. (Compass Capital Advisors) is a Washington limited liability company formed on November 21, 1997. Compass Capital Advisors previously used a business address in Mercer Island, Washington and later used a business address in Jacksonville Beach, Florida.

1 2. Christopher B. Nicholson was previously a resident of Washington and relocated to Florida  
2 in 2020. Nicholson is the co-founder and Managing Director of Compass Capital Advisors. Nicholson has  
3 also done business under the name Matterhorn Private Advisors.

#### 4 **Nature of the Conduct**

5 3. Between 2019 and 2021, Nicholson raised a total of \$25,000 through promissory notes that  
6 were issued by Compass Capital Advisors to residents of Washington, Alaska, and the District of Columbia.

7 4. In 2019, Nicholson raised \$20,000 through promissory notes that were issued to four  
8 individuals, including a resident of Mercer Island, Washington who was never repaid. The notes had a  
9 maturity date of December 31, 2019. Investors were to receive an interest rate of five percent per annum.  
10 Nicholson signed the notes as the Managing Director of Compass Capital Advisors.

11 5. The promissory notes were issued in connection with a “social impact” business named  
12 “Qayaq” (later renamed “AlertZ”). According to offering documents, the business would provide a text  
13 message/SMS-based service to middle schools and high schools. Students could use the service to send  
14 anonymous “tip” warnings to school officials regarding potential incidents of school violence or bullying.

15 6. In June 2021, Nicholson solicited a resident of Seattle, Washington (hereinafter, “the Seattle  
16 investor”) regarding a \$5,000 promissory note investment in AlertZ. Nicholson sent a promissory note and  
17 an Executive Summary to the Seattle investor. The promissory note indicated that AlertZ had not yet been  
18 formed as a corporation. The Executive Summary represented that promissory notes issued by Compass  
19 Capital Advisors “will be exchanged for AlertZ notes once the new company has been formed.”

20 7. The Executive Summary included misleading statements regarding the company’s  
21 “Projected financial performance.” The Executive Summary represented that a “2% market penetration”  
22 would translate into “recurring revenues of at least \$7.2 million per year.” The Executive Summary stated  
23 that a 10% market penetration would “translate into more than \$38 million in annual revenue, with

1 projected net income of at least \$4 million.” The Respondents failed to provide a reasonable basis for  
2 these revenue projections, which were for a yet-to-be formed business with no operating history. The  
3 Respondents failed to provide the Seattle investor with financial statements or written information  
4 regarding the prior use of proceeds from the promissory notes that were issued in 2019. The Respondents  
5 failed to disclose the general and specific risks of the unsecured promissory note investment.

6 8. On June 5, 2021, Nicholson sent an email to the Seattle investor that stated that the  
7 promissory note would be repaid “on or before July 31, 2021” -- approximately six weeks later. Nicholson  
8 directed the Seattle investor to pay for the investment using PayPal and provided him with an invoice.  
9 Compass Capital Advisors issued a promissory note to the Seattle investor with terms that were similar to  
10 the promissory notes issued in 2019. The maturity date of the note was July 31, 2021. The Seattle investor  
11 sent \$5,000 via PayPal for his investment.

12 9. Between 2021 and 2022, the Seattle investor contacted Nicholson on numerous occasions  
13 regarding repayment of the promissory note. Nicholson provide various excuses for nonpayment. In August  
14 2022, Nicholson wired a payment of \$500 to the Seattle investor.

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

17 **CONCLUSIONS OF LAW**

18 1. The offer and/or sale of the promissory notes described above constitute the offer and/or sale  
19 of a security as defined in RCW 21.20.005(14) and (17).

20 2. Respondents Compass Capital Advisors L.L.C. and Christopher B. Nicholson have each  
21 violated RCW 21.20.010, because, as set forth in the Findings of Fact, the Respondents made untrue  
22 statements of material fact or omitted to state material facts necessary in order to make the statements  
23 made, in light of the circumstances in which they were made, not misleading.

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

2 **CONSENT ORDER**

3 IT IS AGREED AND ORDERED that Respondents Compass Capital Advisors L.L.C.; Christopher  
4 B. Nicholson; and their agents and employees shall each cease and desist from violating RCW 21.20.010.

5 IT IS FURTHER AGREED AND ORDERED that Compass Capital Advisors L.L.C. and Christopher  
6 B. Nicholson shall be liable for and shall pay investigative costs of \$1,500 on or before entry of this Consent  
7 Order.

8 IT IS FURTHER AGREED AND ORDERED that Respondents Compass Capital Advisors L.L.C.  
9 and Christopher B. Nicholson shall be liable for and shall pay a fine of \$5,000 within 60 days of the entry of  
10 this Consent Order. Failure to make said payment shall be grounds to vacate this Consent Order.

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

12 IT IS FURTHER AGREED that Respondents Compass Capital Advisors L.L.C. and Christopher B.  
13 Nicholson entered into this Consent Order freely and voluntarily and with a full understanding of its terms  
14 and significance.

15 IT IS FURTHER AGREED that the Securities Division does not intend disqualification under Rule  
16 506(d) of Regulation D of the Securities Act of 1933 to arise as a consequence of this Order.

17 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents Compass Capital  
18 Advisors L.L.C. and Christopher B. Nicholson each waives their right to a hearing and to judicial review of  
19 this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

1 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

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3 Signed this 13 day of December, 2023.

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5 Signed by:

6 Compass Capital Advisors L.L.C.

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8 /s/  
Christopher B. Nicholson  
9 Managing Director

10 Signed by:

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12 /s/  
Christopher B. Nicholson  
13 Individually

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SIGNED and ENTERED this 18th day of December 2023.



Approved by:

/s/  
Brian Guerard  
Chief of Enforcement

/s/  
William M. Beatty  
Securities Administrator

Presented by:

/s/  
Robert Kondrat  
Financial Legal Examiner