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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-SC01

STATEMENT OF CHARGES AND  
NOTICE OF INTENT TO ENTER ORDER  
TO CEASE AND DESIST, TO IMPOSE  
FINES, AND TO CHARGE COSTS

8 THE STATE OF WASHINGTON TO: Compass Capital Advisors, L.L.C.  
Christopher B. Nicholson

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**STATEMENT OF CHARGES**

11 Please take notice that the Securities Administrator of the state of Washington has reason to believe  
12 that Respondents Compass Capital Advisors L.L.C. and Christopher B. Nicholson have 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, to impose fines, and to charge costs,  
15 pursuant to RCW 21.20.390 and RCW 21.20.395. The Securities Administrator finds as follows:

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**TENTATIVE FINDINGS OF FACT**

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**Respondents**

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

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

1 **Nature of the Conduct**

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

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

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

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

17 7. The Executive Summary included misleading statements regarding the company’s  
18 “Projected financial performance.” The Executive Summary represented that a “2% market penetration”  
19 would translate into “recurring revenues of at least \$7.2 million per year.” The Executive Summary stated  
20 that a 10% market penetration would “translate into more than \$38 million in annual revenue, with  
21 projected net income of at least \$4 million.” The Respondents failed to provide a reasonable basis for  
22 these revenue projections, which were for a yet-to-be formed business with no operating history. The  
23 Respondents failed to provide the Seattle investor with financial statements or written information

1 regarding the prior use of proceeds from the promissory notes that were issued in 2019. The Respondents  
2 failed to disclose the general and specific risks of the unsecured promissory note investment.

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

9 9. Between 2021 and 2022, the Seattle investor contacted Nicholson on numerous occasions  
10 regarding repayment of the promissory note. Nicholson provide various excuses for nonpayment. In August  
11 2022, Nicholson wired a payment of \$500 to the Seattle investor.

12  
13 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

14 **CONCLUSIONS OF LAW**

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

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

1                   **NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST**

2                   Pursuant to RCW 21.20.390 and based upon the above based upon the above Tentative Findings of  
3 Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents Compass  
4 Capital Advisors L.L.C. and Christopher B. Nicholson cease and desist from violations of RCW 21.20.010.

5                   **NOTICE OF INTENT TO IMPOSE FINES**

6                   Pursuant to RCW 21.20.395 and based upon the above Tentative Findings of Fact and Conclusions  
7 of Law, the Securities Administrator intends to order that Respondents Compass Capital Advisors L.L.C. and  
8 Christopher B. Nicholson shall be liable for and shall each pay a fine of \$5,000.

9                   **NOTICE OF INTENT TO CHARGE COSTS**

10                  Pursuant to RCW 21.20.390 and based upon the above Tentative Findings of Fact and Conclusions  
11 of Law, the Securities Administrator intends to order that Respondents Compass Capital Advisors L.L.C. and  
12 Christopher B. Nicholson shall be liable for and shall pay the costs, fees, and other expenses incurred in the  
13 administrative investigation and hearing of this matter, in an amount not less than \$1,500.

14                  **AUTHORITY AND PROCEDURE**

15                  This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject  
16 to the provisions of Chapter 34.05 RCW. Respondents Compass Capital Advisors L.L.C. and Christopher  
17 B. Nicholson may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO  
18 DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. If the Respondent does not  
19 make a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative  
20 Findings of Fact and Conclusions of Law as final as to the Respondent, and as described above, enter a  
21 permanent order to cease and desist, and to impose the fines and costs sought.

1 SIGNED and ENTERED this 3rd day of November, 2023.



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9 /s/  
William M. Beatty  
Securities Administrator

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12 Approved by:  
13 /s/  
14 Brian J. Guerard  
15 Chief of Enforcement

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18 Presented by:  
19 /s/  
20 Robert Kondrat  
21 Financial Legal Examiner