

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**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:

603 FINANCIAL, INC. d.b.a. Goddard  
Financial Planning (CRD 167976),

Respondent.

Order Number S-20-2875-20-CO01

CONSENT ORDER

THE STATE OF WASHINGTON TO: 603 FINANCIAL, INC., CRD 167976

11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**INTRODUCTION**

Pursuant to the Securities Act of Washington, Chapter 21.20 RCW, the Securities Administrator of the Department of Financial Institutions Securities Division (“Securities Division”) and the Respondent, 603 Financial, Inc., doing business as Goddard Financial Planning, (“Respondent”) do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. The Securities Division believes that entry of an agreed Consent Order is in the public interest and is appropriate for the protection of investors. The Securities Division and Respondent jointly set forth the following Findings of Fact and Conclusions of Law.

**FINDINGS OF FACT**

*Respondent*

1. Respondent is a Washington state registered investment adviser located in Seattle, Washington. The firm’s Central Registration Depository (CRD) number is 167976. Respondent is a

1 Washington corporation formed on May 8, 2013. Prior to May 30, 2017, Respondent had the legal name  
2 Blue Canoe Financial Planning, Inc. and did business as Blue Canoe Financial Planning.

3 *Nature of the Conduct*

4 2. Respondent hired Danika Waddell (CRD 6525200) on April 25, 2016.

5 3. On July 20, 2016, Respondent submitted Form U4 through the Investment Adviser  
6 Registration Depository (“IARD”) to request registration for Ms. Waddell as an investment adviser  
7 representative. Respondent did not submit the required registration fee along with the form. As a result, the  
8 registration was not approved. IARD eventually purged the application from its system.

9 4. Ms. Waddell was required to be registered as an investment adviser representative before  
10 she could lawfully conduct investment advisory business.

11 5. Since on or about September 13, 2016, Ms. Waddell conducted investment advisory  
12 business by providing financial planning services on behalf of Respondent in Seattle, Washington.  
13 Respondent compensated Ms. Waddell for her investment advisory activities. On February 19, 2020, after  
14 this investigation was opened, Respondent submitted a Form U4 requesting registration for Ms. Waddell  
15 and the required registration fee.

16 6. Respondent hired Matthew Siegel (CRD 5690878) as an investment adviser representative  
17 on June 19, 2013. Mr. Siegel’s employment with Respondent voluntarily ended on February 28, 2016.

18 7. Respondent was required to file a Form U5 terminating Mr. Siegel’s registration as an  
19 investment adviser representative for Respondent within 30 days of the end of Mr. Siegel’s employment.  
20 On February 19, 2020, which was 1,452 days after Mr. Siegel’s employment ended, Respondent submitted  
21 Form U5.

1 8. From on or before March 15, 2015 to the present, Respondent has maintained written  
2 policies and procedures that (i) require that its chief compliance officer ensure that an investment adviser  
3 representative has appropriate registration prior to the investment adviser representative conducting  
4 investment advisory business and (ii) require that its chief compliance officer or a designee ensure that  
5 Form U5 is filed no later than 30 days after an investment adviser representative's termination.

6 9. From 2013 to the present, Respondent has employed the compliance firm, Comprehensive  
7 Securities Compliance Solutions, Inc. Respondent represents that it relied on this firm to handle the filing  
8 of applications relating to investment adviser representative registration including Forms U4 and U5.

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

#### 10 **CONCLUSIONS OF LAW**

11 1. Respondent permitted Ms. Waddell to act as an investment adviser representative of  
12 Respondent from on or about September 13, 2016, to February 19, 2020, without being registered as an  
13 investment adviser representative as required in RCW 21.20.040.

14 2. Respondent employed Ms. Waddell, an unregistered investment adviser representative, in  
15 violation of RCW 21.20.040(5)(a). Pursuant to RCW 21.20.110(1)(b), such a violation is a basis to enter an  
16 order to impose a fine.

17 3. Respondent failed to terminate Mr. Siegel's registration within 30 days of his termination as  
18 an investment adviser representative of Respondent, as required by RCW 21.20.080 and WAC 460-24A-  
19 080.

20 4. Respondent failed to terminate Mr. Siegel's registration promptly after Mr. Siegel ended  
21 employment with Respondent in violation of RCW 21.20.080 and WAC 460-24A-080. Pursuant to RCW  
22 21.20.110(1)(b), such a violation is a basis to enter an order to impose a fine.

1 5. Respondent failed to enforce policies and procedures designed to prevent violations of the  
2 registration provisions of the Securities Act of Washington, as required by WAC 460-24A-120(1). Pursuant  
3 to RCW 21.20.110(1)(b), such a violation is a basis to enter an order to impose a fine.

4 **CONSENT ORDER**

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

6 IT IS AGREED AND ORDERED that Respondent will cease and desist from violations of  
7 registration sections of the Securities Act of Washington, RCW 21.20.040 and RCW 21.20.080.

8 IT IS FURTHER AGREED AND ORDERED that Respondent shall maintain and enforce policies  
9 and procedures reasonably designed to prevent violations of the registration provisions of the Securities  
10 Act of Washington, as required by WAC 460-24A-120(1).

11 IT IS FURTHER AGREED AND ORDERED that Respondent shall be liable for and pay a fine of  
12 \$15,000 prior to the entry of this Consent Order.

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

15 IT IS FURTHER AGREED that Respondent enters into this Consent Order freely and voluntarily  
16 with full understanding of its terms and significance.

17 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent waives its right to a  
18 hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

1  
2 **AUTHORITY AND PROCEDURE**

3 This Consent Order is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the  
4 provisions of RCW 21.20.120 and Chapter 34.05 RCW. Respondent has been notified of its right to an  
5 administrative hearing and has waived that right.

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

7 SIGNED this 22 day of May, 2020.

8 Signed by:

9 603 Financial, Inc.

10  
11 /s/  
12 Nancy Dienes, CRD 5608652  
13 President and Chief Compliance Officer

14 Approved as to form by:

15 /s/  
16 Lawrence Cock, Attorney for 603 Financial, Inc.  
17 Washington Bar # 20326

18 DATED and ENTERED this 5th day of June, 2020.

19  
20 

21 \_\_\_\_\_  
22 WILLIAM M. BEATTY  
23 Securities Administrator

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Approved by:

\_\_\_\_\_  
Suzanne Sarason  
Chief of Enforcement

Presented by:

\_\_\_\_\_/s/\_\_\_\_\_  
Brook Kellerman  
Financial Legal Examiner