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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:

Blair Smith,  
  
Respondent.

Order Number S-10-246-11-SC01

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

THE STATE OF WASHINGTON TO:

Blair Smith

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the state of Washington has reason to believe that the Respondent Blair Smith has violated the Securities Act of Washington and that this violation justifies the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds as follows:

**TENTATIVE FINDINGS OF FACT**

Respondent

1. Blair Smith is the sole proprietor of an investment advisory business which conducts business at the residence of its owner in Bellingham, Washington. The Blair Smith sole proprietorship has been registered as an investment adviser in California since November 21, 1995, and has a Central Registration Depository number of 125134. According to the most recent Form ADV filed by the Blair

1 Smith sole proprietorship, it conducts business at the Bellingham office Monday through Friday from 7  
2 a.m. to 3 p.m. and has no other offices.

3  
4 Nature of the Conduct

5 2. The Respondent is in the business of providing financial planning and asset management  
6 services. From approximately September 25, 2000 to present, the Respondent has had a principal place  
7 of business in Bellingham, Washington. For over eleven years, the Respondent has transacted business  
8 as an investment adviser in Washington by providing investment advisory services to Washington and  
9 California residents from its place of business in Washington.

10 3. The Respondent is a fee only financial planner at a rate of \$95 per hour.

11 4. Since the Respondent began providing financial planning services from the Washington  
12 address in 2000, the Respondent has provided these services to up to 25 clients in a year. According to  
13 the most recent Form ADV filed by the Respondent in March 2011, the Respondent provided financial  
14 planning services to 11-25 clients during the last fiscal year.

15 5. The Respondent also manages portfolios of individuals and/or small businesses. The  
16 Respondent is compensated for these services by either charging a percentage of assets under  
17 management or by charging a performance-based fee.

18 6. Since the Respondent began providing asset management services from the Washington  
19 address in 2000, the Respondent has had at least up to \$4.5 million dollars in assets under management.  
20 According to the most recent Form ADV filed by the Respondent in March 2011, the Respondent  
21 reported \$2.8 million dollars in assets under management in a total of 9 discretionary accounts.



1 **NOTICE OF INTENT TO IMPOSE FINES**

2 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and  
3 Conclusions of Law, the Securities Administrator intends to order that the Respondent Blair Smith shall  
4 be liable for and pay a fine of \$20,000.

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6 **NOTICE OF INTENT TO CHARGE COSTS**

7 Pursuant to RCW 21.20.390(5), and based upon the above Tentative Findings of Fact and  
8 Conclusions of Law, the Securities Administrator intends to order that the Respondent Blair Smith shall  
9 be liable for and shall pay the Securities Division the costs, fees and other expenses incurred in the  
10 conduct of the investigation of this matter in an amount not less than \$1,000.

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12 **AUTHORITY AND PROCEDURE**

13 This Statement of Charges is entered pursuant to the provisions of RCW 21.20.390 and RCW  
14 21.20.395, and is subject to the provisions of RCW 34.05. The Respondent may make a written request  
15 for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY  
16 FOR HEARING accompanying this Statement of Charges.

17 If the Respondent does not request a hearing, the Securities Administrator intends to adopt the  
18 above Tentative Findings of Fact and Conclusions of Law as final, enter a permanent cease and desist  
19 order as to the Respondent, and impose the fines and costs sought.

1 DATED AND ENTERED this 7th day of November, 2011.

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4 \_\_\_\_\_  
5 William M. Beatty  
6 Securities Administrator

7 Approved by:

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9 \_\_\_\_\_  
10 Suzanne Sarason  
11 Chief of Enforcement

12 Presented by:

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14 \_\_\_\_\_  
15 Bridgett Fisher  
16 Enforcement Attorney