1	STATE OF WASHINGTON
2	DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION
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4	IN THE MATTER OF DETERMINING) Order Number S-10-333-11-SC01Whether there has been a violation of the) STATEMENT OF CHARGES AND NOTICE
5	Business Opportunity Fraud Act of Washington by:OF INTENT TO ENTER ORDER TO CEASE AND DESIST
6 7	Westgate Advisors, Inc.;) Thomas Signorelli)
8	Respondents
9	THE STATE OF WASHINGTON TO: Westgate Advisors, Inc.; Thomas Signorelli
10	Thomas Signorem
11 12	STATEMENT OF CHARGES
12	Please take notice that the Securities Administrator of the State of Washington has reason
14	to believe that Respondents, Westgate Advisors, Inc. and Thomas Signorelli, have each violated
15	the Business Opportunity Fraud Act of Washington and that their violations justify the entry of
16	an order of the Securities Administrator under RCW 19.110.150 against each to cease and desist
17	from such violations. The Securities Administrator finds as follows:
18	TENTATIVE FINDINGS OF FACT
19	Respondents
20	1. Westgate Advisors, Inc. ("Westgate") is a California corporation doing business
21	as Westgate Business Finance. Westgate's principal place of business is 185 Front Street, Suite
22	200, Danville, California 94526. During the period relevant to this Statement of Charges,
23	Westgate's principal place of business was 383 Diablo Road, Suite 100, Danville, California
24	94526.
25	STATEMENT OF CHARGES AND NOTICE OF 1 INTENT TO ENTER ORDER TO CEASE AND DESIST Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

1 2. Thomas Signorelli ("Signorelli") is the President and sole shareholder of 2 Westgate. 3 4 Nature of the Offering 5 3. Beginning in 2007, Westgate ran a program to train purchasers of a business 6 opportunity to originate business debt transactions for small businesses that would generate 7 commissions. These transactions included, but were not limited to, equipment loans, facility 8 loans, and working capital loans. 9 4. The purchasers paid an upfront fee of \$5,000. 10 5. In exchange for this fee, purchasers were to receive training materials describing 11 the various transactions contemplated by Westgate, conferences to review those materials, 12 13 telemarketing services to generate leads tailored specifically to the individual purchaser, business 14 cards, access to attorneys and accountants, and, if desired by the purchaser, intensive assistance 15 with the purchaser's first three transactions. 16 6. Purchasers were permitted to use the Westgate name and logo and were also 17 permitted to develop their own brand. 18 7. Purchasers who elected to receive intensive assistance with their first three 19 transactions would pay Westgate fifty percent of their commissions actually received on their 20 first three deals. 21 8. Westgate advertised its business opportunity on its own website, 22 westgatebusinessfinance.com, as well as on the websites franchise.com, and careerbuilder.com. 23 9. In October of 2008, after seeing Westgate's advertisement on careerbuilder.com, 24 25 a Washington resident contacted Westgate by phone and spoke to Signorelli. DEPARTMENT OF FINANCIAL INSTITUTIONS STATEMENT OF CHARGES AND NOTICE OF 2 Securities Division INTENT TO ENTER ORDER TO CEASE AND DESIST PO Box 9033 Olympia, WA 98507-9033 360-902-8760

10. Signorelli explained that Westgate was growing, and that Westgate had "deals" pending in Washington and Colorado. Signorelli also represented to the Washington resident that the telemarketing aspect of the business opportunity was in place and functional. Further, Signorelli represented to the Washington resident that he would earn \$100,000 per year as an associate of Westgate.

11. In November of 2008, the Washington resident wired the \$5,000 fee to Westgate.The Washington resident was lead to believe that he was the "exclusive territory representative"for Westgate in Washington.

12. Shortly thereafter, the Washington resident entered into an agreement entitled
"Operating Agreement and Fee Sharing Agreement" with Westgate. The agreement was to last
eighteen months, and provided that the purchaser was an independent contractor. The agreement
also described the purchaser's duties and compensation. The agreement obligated the purchaser
to hold certain information received during the agreement's term in confidence.

13. The Washington resident did not close any business debt transactions and, consequently, earned no income from his purchase of Westgate's business opportunity.

Misrepresentations and Omissions

14. Westgate failed to provide material information concerning its business opportunity, including, but not limited to, a written disclosure document including financial statements of the company.

15. Westgate failed to provide information to substantiate Signorelli's guarantee of an annual income of \$100,000 made to the Washington resident.

16. Westgate did not provide the Washington resident with information concerning the risks inherent in purchasing a business opportunity from Westgate.

STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST

1 17. On two occasions, Westgate failed to contact potential clients in advance of the 2 Washington resident meeting with the potential clients. The Washington resident was sent to 3 meet with two potential clients by Westgate, only to be told that the potential clients had never 4 heard of Westgate. Prior to the Washington resident's purchase of the business opportunity, 5 Signorelli had represented that Westgate would contact potential clients in advance of the 6 purchaser meeting with such potential clients. 7 18. The telemarketing portion of Westgate's business opportunity never materialized, 8 notwithstanding representations to the Washington resident, made prior to his purchase of the 9 business opportunity, that the telemarketing portion was in place and functioning. 10 **Registration Status** 11 18. Westgate Advisors, Inc. is not currently registered to sell its business 12 opportunities in the state of Washington and has not previously been so registered. 13 14 **CONCLUSIONS OF LAW** 15 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made: 16 1. The offer or sale of business opportunities described above constitutes the offer 17 or sale of a business opportunity as defined in RCW 19.110.020. 18 2. The offer or sale of said business opportunities is in violation of RCW 19.110.050 19 because no registration for such offer or sale is on file with the Securities Administrator. 20 3. The offer or sale of said business opportunities was made in violation of RCW 21 19.110.070 because Respondents failed to provide prospective purchasers the required 22 23 Disclosure Document. 24 4. The offer or sale of said business opportunities was made in violation of RCW 25 19.110.120 because, as set forth in the Tentative Findings of Fact, Respondents made DEPARTMENT OF FINANCIAL INSTITUTIONS STATEMENT OF CHARGES AND NOTICE OF Securities Division INTENT TO ENTER ORDER TO CEASE AND DESIST PO Box 9033 Olympia, WA 98507-9033 360-902-8760 misstatements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

NOTICE OF INTENT TO ORDER RESPONDENTS TO CEASE AND DESIST

Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Westgate Advisors, Inc. and Thomas Signorelli, their agents and employees each shall cease and desist from violations of RCW 19.110.050, RCW 19.110.070 and RCW 19.110.120.

AUTHORITY AND PROCEDURE

This Order is entered pursuant to the provisions of RCW 19.110.150 and is subject to the provisions of RCW 34.05. Westgate Advisors, Inc. and Thomas Signorelli, may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.

If a respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and enter an order to cease and desist permanent as to that respondent.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

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STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST

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3	DATED and ENTERED this <u>18</u> day of February, 2011.
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7	WILLIAM M. BEATTY Securities Administrator
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11	An Elm Flueren
13	SUZANNE SARASONEdward R. ThunenChief of EnforcementEnforcement Attorney
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	STATEMENT OF CHARGES AND NOTICE OF 6 DEPARTMENT OF FINANCIAL INSTITUTIONS INTENT TO ENTER ORDER TO CEASE AND DESIST PO Box 9033 Olympia, WA 98507-9033 360-902-8760