

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:

Alvin L. McGill,

Respondent.

SDO – 74-00

CONSENT ORDER

Case No. 00-04-117

THE STATE OF WASHINGTON TO: ALVIN L. MCGILL
1904 THIRD AVE, SUITE 1031
SEATTLE, WA 98101

The Securities Division, Department of Financial Institutions, State of Washington, and respondent Alvin L. McGill (“McGill”) do hereby agree to this Consent Order in settlement of the matters alleged herein. The Securities Division has in SDO-60-00 made certain allegations and conclusions, set forth under the headings “Tentative Findings of Fact,” and “Conclusions of Law.” Respondent McGill neither admits nor denies the Tentative Findings of Fact and Conclusions of Law.

TENTATIVE FINDINGS OF FACT

RESPONDENT

1. Alvin L. McGill (“McGill”) was registered with the State of Washington as a securities salesperson for Pacific Harbor Securities, Inc. (“Pacific”), until June 7, 2000. Pacific was a broker/dealer of securities and had its principal place of business at 5455 West 11000 North, Suite 201, Highland, UT 84003. Pacific ceased operation as a broker/dealer of securities on June 7, 2000.

2. McGill’s office of employment with Pacific was 1904 Third Ave., Suite 1031, Seattle, WA 98101.

CONSENT ORDER

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1 3. McGill has been unable to work as a securities salesperson since June 7, 2000 due to the closure of
2 Pacific and the investigation by the Securities Division.

3 4. On or about March 10, 2000 the Securities Division began an investigation in to McGill's activities as
4 they related to violations of the Securities Act alleged in a lawsuit that the Securities Division examiners had discovered
5 during a routine examination of Pacific, during February 2000.

6 NATURE OF MCGILL'S CONDUCT

7 5. On or about December 13, 1994, McGill convinced a 50 year old, recently widowed customer to loan
8 him \$10,000, promising 6% annual interest, with the principal coming due on March 13, 1995. The loan was evidenced
9 by a promissory note dated December 13, 1994.

10 6. On or about January 6, 1995 McGill convinced the same Customer to make him a second loan. This
11 loan was in the amount of \$5,000, with annual interest promised at an annual rate of 6% and coming due July 6, 1995.
12 The loan was evidenced by a promissory note dated January 6, 1995.

13 7. On or about February 17, 1995 McGill convinced the same Customer to make him a third loan. This
14 loan was in the amount of \$5,000, with annual interest promised at an annual rate of 6% and coming due August 17,
15 1995. The loan was evidenced by a promissory note dated February 17, 1995.

16 8. On or about March 30, 1995 McGill convinced the same Customer to make him a fourth loan. This
17 loan was in the amount of \$5,000, with annual interest promised at an annual rate of 6% and coming due September 30,
18 1995. The loan was evidenced by a promissory note dated March 30, 1995.

19 9. On or about January 2, 1996 McGill requested a 5th loan, in the amount of \$4,000, from the same
20 Customer. The Customer refused to give McGill any more money.

21 10. Throughout the terms of these loans, and continuing thereafter McGill convinced his Customer that she
22 would eventually be repaid. In November 1996 the Customer demanded repayment of the full \$25,000 she had loaned
23 McGill, along with interest. The Customer was repaid in full on 7/11/97, following legal action.

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

2
3 **CONCLUSIONS OF LAW**

4 McGill, as described above, engaged in one or more dishonest or unethical practices in the securities
5 business, as defined by WAC 460-22B-090(1), by engaging in the practice of borrowing money from customers. Such
6 practice is grounds for the twenty (20) day suspension of his salesperson registration pursuant to RCW 21.20.110(1)(g).

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8 **ORDER AND CONSENT**

9 The Securities Division and McGill have agreed on a basis for resolution and McGill agrees to entry of this
10 Consent Order pursuant to the Securities Act of Washington without admitting or denying the Securities Division's
11 allegations and conclusions.

12 Based on the foregoing:

13 IT IS AGREED AND ORDERED that Alvin L. McGill shall permanently cease and desist from committing
14 or causing the commission of any violation and any future violation of RCW 21.20.110 and WAC 460-22B-090(1),
15 which prohibits making or accepting loans from customers.

16 IT IS AGREED AND ORDERED that McGill shall provide to the Securities Division copies of any regulatory
17 actions taken against him and any complaints received from customers, residing in the state of Washington, within two
18 weeks of their receipt, for a period of two years following the entry of this order.

19 IT IS AGREED the McGill has been "effectively" suspended for more than twenty days and that no further
20 action beyond the reporting requirements stated above are required by the Securities Division in settlement of this
21 matter.

22
23 IN CONSIDERATION OF THE FOREGOING, Alvin L. McGill withdraws his request for a hearing and
24 waives his right to a hearing on this matter.

25 CONSENT ORDER

1 IT IS AGREED that the Securities Division has jurisdiction to enter this order.

2 DATED this _____ day of July 2000.

3
4 _____
Alvin L. McGill
Respondent

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6 ORDER ENTERED this 1st day of August 2000 by:

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8 

9 _____
DEBORAH R. BORTNER
Securities Administrator

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11 Presented by:

12
13 _____
Kristina L. Kneip
Securities Examiner

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15 Approved by:

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17 _____
Michael E. Stevenson
Chief of Compliance

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25 CONSENT ORDER