

1
2
3
4
5
6
7
8

**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:

Beerbaum & Beerbaum Financial and
Insurance Services Inc.; Gary D. Lee,

Respondents.

Order Number S-05-220-06-CO01

CONSENT ORDER AND ORDER VACATING
ORDER S-05-220-05-T001 AS TO GARY D.
LEE

9
10
11
12
13
14
15
16
17

INTRODUCTION

On January 23, 2006, the Securities Administrator of the State of Washington issued Summary Order, S-05-220-05-T001, against the Respondents Beerbaum & Beerbaum Financial Insurance Services Inc. and Gary D. Lee. The Securities Division and Respondent Gary D. Lee do hereby agree to this Consent Order in settlement of the above captioned matter. The Securities Division has, in the Summary Order, made certain allegations and conclusions, set forth under the headings "Tentative Findings of Fact" and "Conclusions of Law". Gary D. Lee neither admits nor denies the Tentative Findings of Fact and Conclusions of Law, which are hereby incorporated by reference into this Consent Order.

18
19
20
21
22

CONSENT ORDER

Based upon the foregoing,

IT IS AGREED that this Consent Order alone will not constitute a bar to the approval of any new or pending application of Gary D. Lee for registration as a broker-dealer, securities salesperson, investment adviser or investment adviser representative.

23
24
25

CONSENT ORDER AND ORDER VACATING
ORDER S-05-220-05-T001 AS TO GARY D.
LEE

1

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

1 IT IS FURTHER AGREED AND ORDERED that Gary D. Lee shall cease and desist from acting
2 as an unregistered broker-dealer or securities salesperson in violation of RCW 21.20.040, the broker-
3 dealer and securities salesperson registration section of the Securities Act of Washington.

4 IT IS FURTHER AGREED AND ORDERED that Gary D. Lee shall cease and desist from acting
5 as an unregistered investment adviser in violation of RCW 21.20.040, the investment adviser and
6 investment adviser representative registration section of the Securities Act of Washington.

7 IT IS FURTHER AGREED that Gary D. Lee, or any applicant of which Gary D. Lee is an
8 officer, director, partner, or person performing similar functions, may apply for broker-dealer or
9 investment adviser registration when the following conditions are met:

10 a) Gary D. Lee has retaken and passed the Series 24 General Securities Principal examination;

11 and

12 b) Gary D. Lee, as the principal of the broker-dealer or investment adviser, provides the
13 Securities Division with written acknowledgment that for a period of two (2) years it shall
14 be subject to examinations by the Securities Division on at least a semiannual basis at Gary
15 D. Lee's expense. The examination shall include all aspects of the broker-dealer or
16 investment adviser business including, but not limited to, Gary D. Lee's role as principal.
17 The two (2) year period shall begin upon the Securities Division's entry of this Order.

18 c) Gary D. Lee's application qualifies for all requirements for registration.

19 IT IS FURTHER AGREED that Gary D. Lee may apply for securities salesperson or investment
20 adviser representative registration when the following condition is met:

21 a) Gary D. Lee's sponsoring broker-dealer or investment adviser provides the Securities

22 Division with written acknowledgment that for a period of two (2) years it shall be subject

1 to examinations by the Securities Division on at least a semiannual basis at Gary D. Lee's
2 expense. The examinations shall include, but are not limited to, Gary D. Lee's branch
3 office. The two (2) year period shall begin upon the Securities Division's entry of this
4 Order.

5 b) Gary D. Lee's application qualifies for all requirements for registration.

6 IT IS FURTHER AGREED AND ORDERED that Gary D. Lee's broker-dealer, securities
7 salesperson, investment adviser and/or investment adviser representative registration shall be suspended
8 for a period of 14 days beginning on the date of approval of Gary D. Lee's broker-dealer, securities
9 salesperson, investment adviser and/or investment adviser representative registration by the Securities
10 Division.

11 IT IS FURTHER AGREED AND ORDERED that Gary D. Lee shall be liable for and pay
12 examination costs, for the examinations agreed to above, in the amount of two thousand five hundred
13 (\$2,500), payable prior to the Securities Division's entry of this Order.

14 IT IS FURTHER AGREED AND ORDERED that Gary D. Lee shall be liable for and pay a fine in
15 the amount of five thousand dollars (\$5,000). The Respondent shall make payments of three hundred
16 dollars (\$300) per month for sixteen consecutive months and each payment shall be due by the 15th day
17 of the month. The final payment will be for two hundred dollars (\$200) for a total of five thousand
18 dollars (\$5,000) and shall be due by the 15th day of the month. The first payment shall be due on May 15,
19 2006. The five thousand dollar (\$5,000) fine imposed in this order shall become immediately due and
20 payable upon failure to make any payment.

21 IT IS FURTHER AGREED that Gary D. Lee enters into this Consent Order freely and voluntarily
22 and with a full understanding of its terms and significance.

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

3 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Gary D. Lee waives
4 his right to a hearing in this matter and judicial review of this order pursuant to RCW 21.20.440 and
5 Chapter 34.05 RCW.

6 The Securities Division hereby vacates the Summary Order, S-05-220-05-TO01, except to the
7 extent of the findings and conclusions in the Summary Order incorporated herein.

8 DATED this 12th day of April, 2006.

9
10 Signed by:

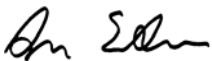
11
12 _____ /S/
13 Gary D. Lee

14 THIS ORDER ENTERED THIS ___19th___ DAY OF ___April_____, 2006 BY:

15
16 

17 _____
18 MICHAEL E. STEVENSON
19 Securities Administrator

20 Approved for entry by:

21 

22 _____
23 Suzanne Sarason
24 Chief of Compliance & Examinations

25 Presented by:

CONSENT ORDER AND ORDER VACATING
ORDER S-05-220-05-TO01 AS TO GARY D.
LEE

4

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

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

K. Reynolds

Kate Reynolds
Financial Legal Examiner