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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING
whether there has been a violation of the
Securities Act of Washington by:

SUHRCO REAL ESTATE ADVISORS INC,

Respondent.

Order Number S-10-213-10-SC01

STATEMENT OF CHARGES AND NOTICE
OF INTENT TO ENTER AN ORDER TO
SUSPEND INVESTMENT ADVISER
REGISTRATION, AND IMPOSE FINES

THE STATE OF WASHINGTON TO: SUHRCO REAL ESTATE ADVISORS INC
2010 156th Ave. N.E., No. 100
Bellevue, WA 98007

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STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that the Respondent, SUHRCO REAL ESTATE ADVISORS INC, has violated the Securities Act of Washington. The Securities Administrator believes these violations justify the entry of an order of suspension of SUHRCO REAL ESTATE ADVISORS INC's investment adviser registration pursuant to RCW 21.20.110(1). The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. Respondent

1. The Respondent is a corporation organized under the laws of the State of Washington with its principal place of business at 2010 156th Ave. N.E., No. 100, Bellevue, WA 98007. The President and Registered Agent of the corporation, Edwin Suhrbier, died on November 9, 2009. Karen Warnick is listed on the Respondent's Form ADV Part 1 filing on the Investment Adviser Registration Depository

1 (“IARD”) as the Vice President and Administrator and the person responsible for supervision and
2 compliance. The fiscal year end for the Respondent is December 31.

3 2. The Respondent is currently registered as an investment adviser with the Securities Division
4 pursuant to RCW 21.20.040 under file number 30001035. That registration expires on December 31,
5 2010. The file number for the Respondent in IARD is 116954.

6 3. The investment adviser representative registrations for Edwin Suhrbier (CRD No. 4509575)
7 and Beverly Suhrbier (CRD No. 4509578) expire on December 31, 2010. Karen Warnick is not
8 registered as an investment adviser representative and has not previously been so registered.

9 **II. Nature of the Conduct**

10 4. In accordance with WAC 460-24A-060, each investment adviser registered with the Securities
11 Division is required to file with the Securities Division a fiscal year end balance sheet prepared in
12 accordance with generally accepted accounting principles not more than ninety (90) days after the end of
13 its fiscal year.

14 5. In accordance with WAC 460-24A-205, each investment adviser registered with the Securities
15 Division is required to file an annual updating amendment to its Form ADV Part 1 on IARD not more
16 than ninety (90) days after the end of its fiscal year. The Respondent’s entire Part 1 needs to be reviewed
17 to determine whether the information disclosed is still accurate.

18 6. In accordance with WAC 460-24A-205, the Form U4 for each investment adviser
19 representative is required to be updated within 30 days whenever an event occurs which makes the
20 information disclosed on the form inaccurate. In the case of the death of an investment adviser
21 representative, a Form U5 is required to be filed to terminate the representative’s registration.

1 7. The Respondent last submitted a balance sheet to the Securities Division on October 15, 2008,
2 for it fiscal year ending December 31, 2007. The Respondent's most recent Form ADV Part 1 was filed
3 with IARD on September 4, 2003.

4 8. On January 22, 2010, the Securities Division sent a memorandum to all investment advisers
5 registered in the State of Washington with a December 31 fiscal year end reminding them of the
6 requirement to submit a fiscal year end balance sheet prepared in accordance with generally accepted
7 accounting principles and to file on IARD the annual updating amendment by March 31, 2010. The
8 memorandum included a warning that advisers who failed to file the required documents would be
9 referred for administrative action which could include suspension or revocation of their registration and
10 imposition of fines. The memorandum was sent to the Respondent at the e-mail address listed in its most
11 recent Form ADV Part 1.

12 9. On March 23, 2010, the Securities Division sent an e-mail message to all investment advisers,
13 including Suhrco, who had not filed the required documents reminding them that the deadline to file was
14 March 31, 2010, and again warning them that failure to file would result in administrative action and
15 imposition of fines.

16 10. On April 9, 2010, Jennifer Johnson, a customer service specialist with the Securities
17 Division, called the Respondent and spoke to someone who identified herself as Karen Warnick
18 concerning the need to file the balance sheet and amendment. Ms. Warnick replied that she would file
19 the required documents either that day or April 12. The Securities Division did not receive documents
20 from the Respondent on either of those days. On April 21, 2010, Ms. Johnson sent Ms. Warnick an e-
21 mail, followed up by a voicemail on May 4, 2010, advising her that the Securities Division had not
22 received the documents.

1 11. As of the date of this order, the Securities Division has not received either of the required
2 documents.

3 12. Pursuant to the definition of investment adviser representative contained in RCW
4 21.20.005(14), corporate officers who supervise investment adviser representatives must themselves be
5 registered as investment adviser representatives.

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

7 **CONCLUSIONS OF LAW**

8 1. SUHRCO REAL ESTATE ADVISORS INC, as described above, has willfully violated
9 WAC 460-24A-060 because it has not filed a balance sheet prepared in accordance with generally
10 accepted accounting principles within 90 days of its December 31, 2009 fiscal year end. Such failure to
11 comply with the rule is grounds for the suspension of its investment adviser registration pursuant to
12 RCW 21.20.110(1)(b).

13 2. SUHRCO REAL ESTATE ADVISORS INC, as described above, has willfully violated
14 WAC 460-25A-205 because it has not filed an annual updating amendment to its Form ADV Part 1 on
15 IARD within 90 days of its December 31, 2009 fiscal year end and has not timely filed a Form U5 to
16 terminate Mr. Suhrbier's registration. Such failure to comply with the rule is grounds for the suspension of
17 its investment adviser registration pursuant to RCW 21.20.110(1)(b).

18 3. SUHRCO REAL ESTATE ADVISORS INC, as described above, has willfully violated RCW
19 21.20.040(5) by employing Karen Warnick as an investment adviser representative, as that term is defined in
20 RCW 21.20.005(14), when she was not registered as an investment adviser representative in the State of
21 Washington.

1 **NOTICE OF INTENT TO SUSPEND REGISTRATION**

2 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and
3 Conclusions of Law, the Securities Administrator intends to order that the investment adviser registration
4 of the Respondent be suspended until the Respondent has complied with WAC 460-24A-060 and WAC
5 460-24A-205.

6 **NOTICE OF INTENT TO IMPOSE FINES**

7 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and
8 Conclusions of Law, the Securities Administrator intends to order that Respondent shall be liable for and
9 pay a fine of \$1,000.

10 **AUTHORITY AND PROCEDURE**

11 This Order is entered pursuant to the provisions of RCW 21.20.110 and is subject to the
12 provisions of RCW 21.20.120 and Chapter 34.05 RCW. The Respondent may make a written request for
13 a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
14 HEARING accompanying this Order. If the Respondent does not request a hearing, the Securities
15 Administrator intends to adopt the foregoing Tentative Findings of Fact and Conclusions of Law as final,
16 and enter a permanent order against the Respondent suspending the Respondent's investment adviser
17 registration and imposing the fine sought.

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19 DATED this 9th day of August, 2010.

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23 William M. Beatty
24 Securities Administrator

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Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Nelda Shannon
Financial Examiner