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

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IN THE MATTER OF DETERMINING) Order No.: S-11-0855-13-CO01
whether there has been a violation of the)
Securities Act of Washington by:)
)
Bonita Kay Bell-Andersen; Bell-Andersen) CONSENT ORDER AS TO JOHN P. JOHNSON
Financial Services, LLC; Quadrant Wealth)
Management, Inc.; John P. Johnson,)
)
Respondents.)

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INTRODUCTION

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On December 18, 2012, the Securities Administrator of the State of Washington issued Statement of Charges, Denial of Registration as to Quadrant Wealth Management, Inc., and Notice of Intent to Suspend Salesperson Registration as to John P. Johnson, Deny Future Registrations as to Bonita K. Bell-Andersen and Bell-Andersen Financial Services, LLC, Deny Registration Application as to Bonita Kay Bell-Andersen, Impose Fines and Charge Costs as to Bonita Kay Bell-Andersen, Bell-Andersen Financial Services, LLC and John P. Johnson and to Enter Order to Cease and Desist as to Bonita Kay Bell-Andersen and Bell-Andersen Financial Services, LLC, hereinafter referred to as the "Statement of Charges." Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division of the Department of Financial Institutions ("Securities Division") and Respondent, John P. Johnson, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondent, John P. Johnson, neither admits nor denies the Findings of Fact and Conclusions of Law as stated below.

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FINDINGS OF FACT

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Respondents

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1. Bell-Andersen Financial Services, LLC ("BAFS") is an active Washington State Limited Liability Corporation organized on October 13, 2009. Its principal place of business is in Spokane, Washington. BAFS is not currently registered as an investment adviser, investment adviser representative, broker-dealer, or securities salesperson in the state of Washington.
 2. Bonita Kay Bell-Andersen ("Bell-Andersen") is the sole member of BAFS. Bell-Andersen is a licensed insurance producer in the State of Washington. Her WAOIC number is 198599. Bell-Andersen is a former Washington State registered securities salesperson. Her Central Registration Depository ("CRD") number is 4353276. She has not been a registered salesperson in Washington State since June of 2010, when she was terminated by her

1 then broker-dealer firm, MML Investors Services, Inc. Bell-Andersen has also worked for LPL Financial Corporation
2 and Northwestern Mutual Investment Services, LLC as a registered representative. On May 2, 2012, Bell-Andersen
3 was awarded the Chartered Financial Consultant or “ChFC” designation by The American College. In May 2012,
4 Brookstone Capital Management, LLC filed an application for Bell-Andersen to become a registered representative of
5 their investment adviser firm in Washington State. That application has been withdrawn as of the date of this Consent
6 Order.

7 3. Quadrant Wealth Management, Inc. (“QWM”) is a Washington corporation, incorporated on October 2, 2012.
8 Bell-Andersen is the sole director of QWM. On October 29, 2012, Bell-Andersen caused to be filed with the
9 Securities Division an application for QWM to become registered as an Investment Adviser in the State of
10 Washington. QWM’s investment adviser registration was denied by the Securities Division in connection with this
11 matter.

12 4. John P. Johnson (“Johnson”) is a registered securities salesperson in Washington State with a principal place
13 of business in Spokane, Washington. His CRD number is 2195650. Johnson was a registered representative of Multi-
14 Financial Securities Corporation from February 28, 2012, until December 31, 2012. From January of 2003 until
15 February of 2012 Johnson was a registered representative of Pacific West Securities, Inc. (“Pacific West”).

16 Background

17 5. Bell-Andersen was terminated from her position as a registered representative of MML Investors Services
18 Corporation (“MML”) in June of 2010 for allegedly signing client names to change of broker-dealer forms. MML
19 assigned Todd Claypool, a registered representative of MML, to take over the accounts of Bell-Andersen’s clients
20 with respect to their securities needs. Bell-Andersen maintained contact with most of her clients and continued to
21 offer them services as an insurance producer and financial planner.

22 6. In connection with the allegation that Bell-Andersen signed client names to change of broker-dealer forms,
23 the Financial Industry Regulatory Authority (“FINRA”) conducted an investigation of Bell-Andersen from about June
24 of 2010 to about February of 2012. FINRA took no public action against Bell-Andersen at the conclusion of their
25 investigation.

26 7. In about July and August of 2011, Bell-Andersen sent a letter to her clients indicating that she was moving
27 her clients into a broker-dealer relationship with her “business associate & registered representative John Johnson.”
28 She further indicated that she would be working with Johnson in his capacity as a registered representative and that
29 she hoped her clients could utilize Bell-Andersen’s services as a broker-dealer representative soon. Bell-Andersen
30 enclosed forms necessary to move their accounts to Pacific West with Johnson.

8. Many of Bell-Andersen's clients did in fact move their accounts to Pacific West under Johnson. Johnson took Bell-Andersen's clients with the understanding that Bell-Andersen would be able to associate with a broker-dealer firm in the near future and, once she did, Bell-Andersen would likely act as the broker-dealer representative for those clients. Johnson assisted Bell-Andersen in her attempts to become a registered representative of a broker-dealer firm. Johnson was aware of the FINRA investigation into Bell-Andersen's conduct and the allegations leading to it.

Nature of the Conduct

9. Bell-Andersen effected transactions in securities and, in connection with some of those transactions, Johnson executed trades on instructions from Bell-Andersen without first obtaining written permission to deal with Bell-Andersen concerning those customers' accounts. Bell-Andersen also held out and acted as an investment adviser. Johnson, in order to assist Bell-Andersen in rendering securities related services to their mutual clients, gave Bell-Andersen access to confidential financial information. Bell-Andersen also made a false filing with the Securities Administrator by falsifying a document delivered to the Securities Division pursuant to a Securities Division subpoena.

Bell-Andersen Effected Transactions in Securities and Johnson Dealt With an Unauthorized Third Party Concerning Customer Accounts

10. When Bell-Andersen recommended to her clients that they move their securities accounts to Pacific West and use Johnson as their broker-dealer representative, Bell-Andersen filled out several Pacific West new account forms for her clients. Bell-Andersen also filled out applications for securities accounts with Pacific West as the introducing broker and with Johnson as the representative. In some instances her former clients were businesses that provided IRA retirement plans for their employees, and formerly relied on Bell-Andersen to administer those IRA plans. Bell-Andersen met with several such employees to help them fill out IRA application forms and decide upon fund allocations and contribution amounts for their IRAs. In some instances Johnson would accompany Bell-Andersen, but not in all instances. For these services, associated with moving Bell-Andersen's former clients to a broker-dealer relationship with Pacific West and Johnson, Johnson paid Bell-Andersen at least \$406.68.

11. On January 3, 2012, a client called Bell-Andersen to request that \$500 worth of securities be sold out of an IRA in which he and his wife held interests in several different mutual funds. The IRA was administered by Johnson and Pacific West at that time. Bell-Andersen reviewed the various securities that the client held in his IRA and instructed Johnson to sell \$500 worth of interests of a particular mutual fund. Johnson did as Bell-Andersen instructed. On January 25, 2012, the same client called Bell-Andersen to request another \$500 worth of mutual fund interests be sold out of his IRA. Bell-Andersen instructed Johnson to sell the securities and deposit the proceeds directly into the client's bank account. Johnson contacted Bell-Andersen and informed her that because the client changed bank accounts recently, direct deposit was not possible. Johnson asked Bell-Andersen for further

1 instructions. Bell-Andersen instructed Johnson to mail a check for \$500 to the client's address of record. Johnson
2 followed Bell-Andersen's instructions. At no time did the client or his wife give Johnson written permission to take
instructions regarding their IRA from Bell-Andersen.

3 12. On February 14, 2012, Bell-Andersen met with another client who indicated that he wanted to sell \$5,000
4 worth of his mutual fund shares. The mutual funds were held in an account administered by Johnson and Pacific
5 West. Bell-Andersen emailed Johnson indicating that her client wanted \$5,000 out of his account and further
6 instructed Johnson which fund to sell shares from. Johnson followed Bell-Andersen's instructions. At no time did the
client give Johnson written permission to take instructions regarding his account from Bell-Andersen.

7 13. In about September or October of 2011, a client spoke with Bell-Andersen about investing approximately
8 \$6,000 that she had in a bank savings account. The client was not satisfied with the interest she was earning in the
9 savings account. Bell-Andersen recommended that she purchase exchange traded funds with her \$6,000. On
10 September 20, 2011, the client signed a new account form establishing an account with Pacific West and Johnson. On
11 October 6, 2011, the client made out a check to Pershing, LLC, a clearing firm used by Pacific West, and delivered
the check to Bell-Andersen. Bell-Andersen forwarded the check to Johnson. On November, 8, 2011, Johnson
12 purchased approximately \$1,500 worth of four different exchange traded funds on the client's account.

13 14. Pacific West maintained policies and procedures that prohibited Johnson from taking directions or
14 instructions from Bell-Andersen with regard to his customers' accounts. In particular, Pacific West maintained a
policy regarding third party requests which stated:

15 All requests to change delivery to a third party address, or to have funds sent to a third
16 party, or to deal with a third party in any manner concerning a customer account, must
17 be obtained in writing from the client, and all appropriate documentation (i.e. Power
of Attorney) must be on hand.

18 Pacific West maintained this policy in order to ensure that it was acting in compliance with RCW 21.20.040(2),
19 prohibiting a broker-dealer from employing an unregistered salesperson, and to ensure that it complied with WAC
20 460-21B-060(4), prohibiting a broker-dealer from executing trades unauthorized by the customer, among other
reasons.

21 *Bell-Andersen Held Out and Acted as an Investment Adviser*

22 15. Bell-Andersen, as a part of her business, routinely provides a "fact-finder" service. The fact-finder service
23 involves a comprehensive review of all of the client's finances, what sort of investments the client has, and what the
24 client's financial goals are. Bell-Andersen then gives advice to her clients based on the review that she performed.
25 The advice that Bell-Andersen gives is not limited to whether her clients should buy insurance and what kinds of

1 insurance they should buy. Bell-Andersen also routinely gives her clients advice about saving money for retirement,
2 how to manage a household budget, and when to start taking social security payments.

3 16. Bell-Andersen maintains an account on the professional social networking website “linkedin.com” where she
4 advertises BAFS. Prior to about December of 2011, Bell-Andersen’s linkedin profile page contained the following
5 description of her business:

6 People today are confronted with a growing number of investment and insurance
7 products and services, and are increasingly turning to an expert and experienced
8 partner who can guide them through the intricacies of the decisions to be made.
9 Should you invest in mutual funds, annuities, individual securities, or a
10 comprehensive asset management program? How much insurance do you need? Add
11 all of these important considerations up, and your need for competent, objective
12 financial guidance has never been greater. This autonomy allows me to concentrate
13 my efforts on the aspects of financial services where I am strongest, and can be of
14 greatest help to you, the client. Your needs come first!

15 In May of 2012, Bell-Andersen began appending to her name the designation “ChFC” on her linkedin profile page.

16 17. Bell-Andersen also maintains a website at www.bellandersenfianncial.com to advertise BAFS. Since May of
17 2012, Bell-Andersen has appended the “ChFC” designation to her name on her website. Bell-Andersen also has made
18 available on her website articles and general information relating to securities investments. For example, as of
19 September of 2012, at the URL “[http://www.bellandersenfinancial.com/resource-center/investment/a-look-at-](http://www.bellandersenfinancial.com/resource-center/investment/a-look-at-diversification)
20 [diversification](http://www.bellandersenfinancial.com/resource-center/investment/a-look-at-diversification)” there appeared an article which described the concept of diversification of investment portfolios and
21 particularly emphasized mutual funds and exchange traded funds. Near the end of the article the following sentence
22 appeared, “If you want more information on diversification, or have questions about how your money is invested,
23 please call so we can review your situation.”

24 18. In about December of 2011, a client called Bell-Andersen and inquired about his variable annuity. Bell-
25 Andersen had previously sold the client the variable annuity while she was a registered securities salesperson. The
client asked that Bell-Andersen research other options he might have for the money invested in his variable annuity.
In or about February of 2012, Bell-Andersen presented the results of her research to her client. Bell-Andersen
recommended that he sell his variable annuity and purchase a fixed indexed annuity. The client also discussed with
Bell-Andersen the possibility of liquidating his mutual fund shares to help purchase the fixed indexed annuity. Bell-
Andersen advised him that if he liquidated his mutual fund shares as well as his variable annuity to purchase the fixed
indexed annuity, then the bonus that he would receive from the fixed indexed annuity would make up for the
surrender charge associated with selling the variable annuity. The client ultimately sold his variable annuity and

1 liquidated his mutual fund shares in order to purchase a fixed indexed annuity. Bell-Andersen earned a commission on
2 the sale of the fixed indexed annuity to her client.

3 *Johnson Shared Confidential Client Data with Bell-Andersen*

4 19. In order to assist Bell-Andersen in providing securities related services to their mutual clients, Johnson gave
5 Bell-Andersen his login information to a website called "Vision." Vision is a web tool that enables broker-dealer
6 representatives and investment adviser representatives to view certain financial information about their clients online,
7 including what securities they have invested in and the market value of those securities. Using Johnson's Vision login
8 information, Bell-Andersen could view financial data for all of Johnson's customers, not only the customers that Bell-
Andersen referred to Johnson. Johnson did not receive written permission from any of his clients to share their
financial data with Bell-Andersen.

9 20. On November 21, 2011, Johnson received an email from Todd Schuerman, an employee of Pacific West,
10 giving Johnson login information for a client's "NetXClient ID." The login information enabled anyone with Internet
11 access to view the client's Pacific West account information, including what securities she was invested in and the
12 market value of those securities. Johnson forwarded the information to Bell-Andersen, who forwarded the information
13 to the client. On December 10, 2011, the client emailed Bell-Andersen to inform her that the client could not access
14 the client's account information online with the login information supplied. Bell-Andersen forwarded the client's
15 email to Johnson. On January 24, 2012, Johnson emailed the client, carbon copying Bell-Andersen, with detailed
16 instructions about how the client could access her account information online. The instructions would allow anyone
17 with Internet access to view the client's Pacific West account information. At no time did the client give Johnson
18 written permission to share her account information with Bell-Andersen.

19 21. Pacific West maintained policies and procedures at the time Johnson shared client information with Bell-
20 Andersen that prohibited such sharing of information. In particular, Pacific West's code of ethics contained the
21 following, "It is our obligation to respect and protect the right to privacy of all our clients." The code of ethics also
22 stated, "Confidential or proprietary information obtained in the course of association with PACIFIC WEST
23 SECURITIES, INC., is not to be used for personal gain or to be shared with others for their personal benefit."

24 22. Pacific West also maintained a policy in compliance with Regulation S-P, a federal regulation codified at 17
25 C.F.R. 248, which prohibits broker-dealer firms from sharing "nonpublic personal information" and "personally
identifiable financial information" with certain parties without notice and an opportunity for the customer to opt out of
such sharing. Pacific West gave notice of its information sharing practices to its customers on its new account forms,
which disclosed that Pacific West shared no information with non-affiliated businesses, such as Bell-Andersen
Financial Services, which are not in common control with Pacific West. Johnson personally signed all such new
account forms when opening accounts for his customers.

1 23. Pacific West also maintained a policy requiring that any registered representative who wanted to store
2 confidential customer information with third party vendors must obtain a confidentiality agreement with that third
3 party vendor prior to the sharing of any such confidential customer information. Johnson did not enter into any
4 confidentiality agreements with Bell-Andersen prior to his sharing of confidential customer information with her.

5 *False Filing with the Securities Administrator*

6 24. Bell-Andersen and BAFS delivered a falsified document to the Securities Division pursuant to a subpoena
7 issued by the Securities Administrator. The document was falsified to conceal that Johnson gave Bell-Andersen
8 access to information about Johnson's clients' Pacific West securities accounts.

9 25. The Securities Administrator issued subpoena S-11-0855-12-DI01 to Bell-Andersen and BAFS on March 30,
10 2012. The subpoena required Bell-Andersen and BAFS to produce certain documents to the Securities Division,
11 including all correspondence, including email, between Bell-Andersen and Johnson. Bell-Andersen and BAFS
12 produced documents to the Securities Division pursuant to subpoena S-11-0855-12-DI01 on April 25, 2012. Included
13 in the subpoena production was a paper copy of an email from Johnson to Bell-Andersen dated December 20, 2011,
14 with a timestamp of 11:34 a.m. and a subject heading of "Misc." The email consisted primarily of a four point list
15 regarding some of Bell-Andersen's and Johnson's mutual clients. There was no indication on the paper copy of the
16 email, or any of the documents accompanying it, that any information had been withheld or redacted.

17 26. The Securities Division subsequently requested information from Multi-Financial Securities Corporation
18 relating to Bell-Andersen's and Johnson's mutual clients on June 7, 2012. Multi-Financial Securities Corporation
19 complied with the Securities Division's request, and the Securities Division received the requested information on
20 July 9, 2012. Included in the information from Multi-Financial Securities Corporation was an email, converted to PDF
21 format, from Johnson to Bell-Andersen dated December 20, 2011, with a timestamp of 11:34 a.m. and a subject
22 heading of "Misc." The email was identical in most respects to the email received pursuant to subpoena S-11-0855-
23 12-DI01 except that it included a fifth list item that read substantially as follows, "The vision pw is minime1."

24 27. The list item "The vision pw is minime1" provided Bell-Andersen with Johnson's password to the "Vision"
25 website, a tool used by investment advisers and broker-dealers to view client financial data. Bell-Andersen removed
this line from the paper copy of the email that she provided to the Securities Division. Bell-Andersen was aware, at
the time she provided the Securities Division with her subpoena response, that she was under investigation by the
Securities Division for acting as an unregistered investment adviser and unregistered broker-dealer. Bell-Andersen
also had reason to know that it was contrary to Pacific West policy and procedure for Johnson to share his Vision
password with her. By producing this falsified document to the Securities Division pursuant to the Securities Division
subpoena, Bell-Andersen made a statement to the Securities Administrator that was false or misleading in a material

1 respect. Bell-Andersen represented to the Securities Administrator that the fifth list item regarding Johnson's Vision
2 password was not a part of her email correspondence with Johnson when in fact it was.

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

4 CONCLUSIONS OF LAW

5 I.

6 John P. Johnson, as described above, engaged in one or more dishonest or unethical practices in the securities
7 business, as defined by WAC 460-22B-090, by dealing with Bell-Andersen concerning customer accounts without
8 written authorization to do so. Such conduct is grounds for the censure of John Johnson and the imposition of
9 conditions or limits on his future securities salesperson licensing pursuant to RCW 21.20.110(1)(g).

10 II.

11 The client information accessible via Vision and via the NetXClient ID described above, is "nonpublic
12 personal information" and "personally identifiable financial information" as defined by Regulation S-P, 17 C.F.R.
13 248.3(t)(1) and 17 C.F.R. 248.3(u)(1), respectively.

14 III.

15 John P. Johnson, as described above, engaged in one or more dishonest or unethical practices in the securities
16 business, as defined by WAC 460-22B-090, by sharing passwords and login information allowing Bell-Andersen
17 access to nonpublic personal information and personally identifiable financial information. Such conduct is grounds
18 for the censure of John Johnson and the imposition of conditions or limits on his future securities salesperson
19 licensing pursuant to RCW 21.20.110(1)(g).

20 CONSENT ORDER

21 Based upon the foregoing and finding it in the public interest:

22 IT IS AGREED AND ORDERED that Respondent, John P. Johnson, shall be, and hereby is, censured for his
23 conduct in dealing with an unauthorized third party concerning customer accounts and for his conduct in sharing with
24 an unauthorized third party nonpublic personal information and personally identifiable financial information.

25 IT IS FURTHER AGREED AND ORDERED that Respondent, John P. Johnson, shall be liable for and shall
pay a fine in the amount of \$3,000 prior to the entry of this Consent Order.

IT IS FURTHER AGREED AND ORDERED that Respondent, John P. Johnson, shall be liable for and shall
pay the costs of the investigation of this matter in the amount of \$1,500 prior to the entry of this Consent Order.

IT IS FURTHER AGREED AND ORDERED that Respondent, John P. Johnson, may apply for a securities
salesperson and/or investment advisor representative license once his sponsoring broker-dealer provides the Securities

1 Division with a continuing education plan appropriately tailored to the findings of fact and conclusions of law alleged
2 in this consent order, such as a plan addressing the handling of confidential customer information in compliance with
3 Regulation S-P and/or the supervision of unregistered persons, and once the Securities Division agrees to such plan
4 for continuing education.

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

6 IT IS FURTHER AGREED that Respondent, John P. Johnson, entered into this Consent Order freely and
7 voluntarily and with a full understanding of its terms and significance.

8 IT IS FURTHER AGREED that, except in an action by the Securities Division of the Washington State
9 Department of Financial Institutions to enforce the obligations of Respondent John Johnson in this Consent Order,
10 this Consent Order may neither be deemed nor used as an admission of or evidence of any fault, omission or liability
11 of Respondent John Johnson in any civil, criminal, arbitration, or administrative proceeding.

12 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent, John P. Johnson, waives his
13 right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

14 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

15 Signed this 17th day of May 2013 .

16 Signed by:

17 Approved as to form by:

18 /s/
19 John P. Johnson, Individually

20 James Barbee, attorney for Respondent
21 WSBA #29557

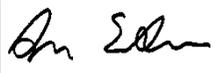
22 Signed and Entered this 21th day of May 2013 .

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24 William M. Beatty
25 Securities Administrator

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Approved by:



Suzanne Sarason
Chief of Enforcement

Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor

Presented by:



William McGinty
Financial Legal Examiner

**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:

) Order No.: S-11-0855-12-SC01
)
) STATEMENT OF CHARGES, DENIAL OF
) REGISTRATION AS TO QUADRANT WEALTH
) MANAGEMENT, INC., AND NOTICE OF INTENT
) TO SUSPEND SALESPERSON REGISTRATION AS TO
) JOHN P. JOHNSON, DENY FUTURE REGISTRATIONS AS
) TO BONITA KAY BELL-ANDERSEN AND BELL-
) ANDERSEN FINANCIAL SERVICES, LLC, DENY
) REGISTRATION APPLICATION AS TO BONITA KAY
) BELL-ANDERSEN, IMPOSE FINES AND CHARGE COSTS
) AS TO BONITA KAY BELL-ANDERSEN, BELL-
) ANDERSEN FINANCIAL SERVICES, LLC AND JOHN P.
) JOHNSON AND TO ENTER ORDER TO CEASE AND
) DESIST AS TO BONITA KAY BELL-ANDERSEN AND
) BELL-ANDERSEN FINANCIAL SERVICES, LLC
)
) Respondents.

Bonita Kay Bell-Andersen; Bell-Andersen
Financial Services, LLC; Quadrant Wealth
Management, Inc.; John P. Johnson,

THE STATE OF WASHINGTON TO:

**Bonita Kay Bell-Andersen; Bell-Andersen Financial
Services, LLC; Quadrant Wealth Management, Inc.;
John P. Johnson**

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents, Bonita Kay Bell-Andersen, Bell-Andersen Financial Services, LLC and John P. Johnson, have each violated the Securities Act of Washington. The Securities Administrator believes those violations justify the suspension of John P. Johnson's securities salesperson registration pursuant to RCW 21.20.110(1), the denial of future investment adviser, investment adviser representative, and securities salesperson registrations Bonita Kay Bell-Andersen and/or Bell-Andersen Financial Services, LLC may file in the future pursuant to RCW 21.20.110(1), the denial of Bell-Andersen's current investment adviser registration application for Quadrant Wealth Management, Inc. of which Bell-Andersen is a principal, the denial of an investment adviser representative registration application filed by Brookstone Capital Management, LLC on Bonita K. Bell-Andersen's behalf, the imposition of fines, the collection of costs, and the entry of an order against Respondents to cease and desist from such violations pursuant to RCW 21.20.390. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

1
2
3 1. Bell-Andersen Financial Services, LLC (“BAFS”) is an active Washington State Limited Liability
4 Corporation organized on October 13, 2009. Its principal place of business is in Spokane, Washington. BAFS is not
5 currently registered as an investment adviser, investment adviser representative, broker-dealer, or securities
6 salesperson in the state of Washington.

7 2. Bonita Kay Bell-Andersen (“Bell-Andersen”) is the sole member of BAFS. Bell-Andersen is a licensed
8 insurance producer in the State of Washington. Her WAOIC number is 198599. Bell-Andersen is a former
9 Washington State registered securities salesperson. Her Central Registration Depository (“CRD”) number is 4353276.
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11 then broker-dealer firm, MML Investors Services, Inc. Bell-Andersen has also worked for LPL Financial Corporation
12 and Northwestern Mutual Investment Services, LLC as a registered representative. On May 2, 2012, Bell-Andersen
13 was awarded the Chartered Financial Consultant or “ChFC” designation by The American College. In May 2012,
14 Brookstone Capital Management, LLC filed an application for Bell-Andersen to become a registered representative of
15 their investment adviser firm in Washington State. That application is under review as of the date of this Statement of
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20 Washington. QWM’s investment adviser registration is under review as of the date of this Statement of Charges.

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22 of business in Spokane, Washington. His CRD number is 2195650. Johnson is a registered representative of Multi-
23 Financial Securities Corporation. From January of 2003 until February of 2012 Johnson was a registered
24 representative of Pacific West Securities, Inc. (“Pacific West”).

Background

25 5. Bell-Andersen was terminated from her position as a registered representative of MML Investors Services
Corporation (“MML”) in June of 2010 for allegedly signing client names to change of broker-dealer forms. MML
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with respect to their securities needs. Bell-Andersen maintained contact with most of her clients and continued to
offer them services as an insurance producer and financial planner.

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3 of 2010 to about February of 2012. FINRA took no public action against Bell-Andersen at the conclusion of their
4 investigation.

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7 She further indicated that she would be working with Johnson in his capacity as a registered representative and that
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12 firm in the near future and, once she did, Bell-Andersen would likely act as the broker-dealer representative for those
13 clients. Johnson assisted Bell-Andersen in her attempts to become a registered representative of a broker-dealer firm.
14 Johnson was aware of the FINRA investigation into Bell-Andersen’s conduct and the allegations leading to it.

15 Nature of the Conduct

16 9. Bell-Andersen effected transactions in securities and, in connection with some of those transactions, Johnson
17 executed trades without first confirming those trades with the account holders. Bell-Andersen also held out and acted
18 as an investment adviser. Johnson, in order to assist Bell-Andersen in rendering securities related services to their
19 mutual clients, gave Bell-Andersen access to confidential financial information. Bell-Andersen also made a false
20 filing with the Securities Administrator by falsifying a document delivered to the Securities Division pursuant to a
21 Securities Division subpoena.

22 *Bell-Andersen Effected Transactions in Securities and Johnson Dealt With an Unauthorized Third Party Concerning 23 Customer Accounts*

24 10. When Bell-Andersen recommended to her clients that they move their securities accounts to Pacific West and
25 use Johnson as their broker-dealer representative, Bell-Andersen filled out several Pacific West new account forms for
her clients. Bell-Andersen also filled out applications for securities accounts with Pacific West as the introducing
broker and with Johnson as the representative. In some instances her former clients were businesses that provided IRA
retirement plans for their employees, and formerly relied on Bell-Andersen to administer those IRA plans. Bell-
Andersen met with several such employees to help them fill out IRA application forms and decide upon fund
allocations and contribution amounts for their IRAs. In some instances Johnson would accompany Bell-Andersen, but

1 not in all instances. For these services, associated with moving Bell-Andersen's former clients to a broker-dealer
2 relationship with Pacific West and Johnson, Johnson paid Bell-Andersen at least \$406.68.

3 11. On January 3, 2012, a client called Bell-Andersen to request that \$500 worth of securities be sold out of an
4 IRA in which he and his wife held interests in several different mutual funds. The IRA was administered by Johnson
5 and Pacific West at that time. Bell-Andersen reviewed the various securities that the client held in his IRA and
6 instructed Johnson to sell \$500 worth of interests of a particular mutual fund. Johnson did as Bell-Andersen
7 instructed. Johnson did not call the client or his wife to confirm the transaction. On January 25, 2012, the same client
8 called Bell-Andersen to request another \$500 worth of mutual fund interests be sold out of his IRA. Bell-Andersen
9 instructed Johnson to sell the securities and deposit the proceeds directly into the client's bank account. Johnson
10 contacted Bell-Andersen and informed her that because the client changed bank accounts recently, direct deposit was
11 not possible. Johnson asked Bell-Andersen for further instructions. Bell-Andersen instructed Johnson to mail a check
12 for \$500 to the client's address of record. Johnson followed Bell-Andersen's instructions. Johnson did not call the
13 client or his wife to confirm the transaction nor to confirm that a mailed check was acceptable. At no time did the
14 client or his wife give Johnson written permission to take instructions regarding their IRA from Bell-Andersen.

15 12. On February 14, 2012, Bell-Andersen met with another client who indicated that he wanted to sell \$5,000
16 worth of his mutual fund shares. The mutual funds were held in an account administered by Johnson and Pacific
17 West. Bell-Andersen emailed Johnson indicating that her client wanted \$5,000 out of his account and further
18 instructed Johnson which fund to sell shares from. Johnson followed Bell-Andersen's instructions. Johnson did not
19 confirm the transaction with the client prior to selling the mutual fund shares. At no time did the client give Johnson
20 written permission to take instructions regarding his account from Bell-Andersen.

21 13. In about September or October of 2011, a client spoke with Bell-Andersen about investing approximately
22 \$6,000 that she had in a bank savings account. The client was not satisfied with the interest she was earning in the
23 savings account. Bell-Andersen recommended that she purchase exchange traded funds with her \$6,000. On
24 September 20, 2011, the client signed a new account form establishing an account with Pacific West and Johnson. On
25 October 6, 2011, the client made out a check to Pershing, LLC, a clearing firm used by Pacific West, and delivered
the check to Bell-Andersen. Bell-Andersen forwarded the check to Johnson. On November, 8, 2011, Johnson
purchased approximately \$1,500 worth of four different exchange traded funds on the client's account.

14. Pacific West maintained policies and procedures that prohibited Johnson from taking directions or
instructions from Bell-Andersen with regard to his customers' accounts. In particular, Pacific West maintained a
policy regarding third party requests which stated:

All requests to change delivery to a third party address, or to have funds sent to a third
party, or to deal with a third party in any manner concerning a customer account, must

1 be obtained in writing from the client, and all appropriate documentation (i.e. Power
2 of Attorney) must be on hand.

3 Pacific West maintained this policy in order to ensure that it was acting in compliance with RCW 21.20.040(2),
4 prohibiting a broker-dealer from employing an unregistered salesperson, and to ensure that it complied with WAC
5 460-21B-060(4), prohibiting a broker-dealer from executing trades unauthorized by the customer, among other
6 reasons.

7 *Bell-Andersen Held Out and Acted as an Investment Adviser*

8 15. Bell-Andersen, as a part of her business, routinely provides a “fact-finder” service. The fact-finder service
9 involves a comprehensive review of all of the client’s finances, what sort of investments the client has, and what the
10 client’s financial goals are. Bell-Andersen then gives advice to her clients based on the review that she performed.
11 The advice that Bell-Andersen gives is not limited to whether her clients should buy insurance and what kinds of
12 insurance they should buy. Bell-Andersen also routinely gives her clients advice about saving money for retirement,
13 how to manage a household budget, and when to start taking social security payments.

14 16. Bell-Andersen maintains an account on the professional social networking website “linkedin.com” where she
15 advertises BAFS. Prior to about December of 2011, Bell-Andersen’s linkedin profile page contained the following
16 description of her business:

17 People today are confronted with a growing number of investment and insurance
18 products and services, and are increasingly turning to an expert and experienced
19 partner who can guide them through the intricacies of the decisions to be made.
20 Should you invest in mutual funds, annuities, individual securities, or a
21 comprehensive asset management program? How much insurance do you need? Add
22 all of these important considerations up, and your need for competent, objective
23 financial guidance has never been greater. This autonomy allows me to concentrate
24 my efforts on the aspects of financial services where I am strongest, and can be of
25 greatest help to you, the client. Your needs come first!

26 In May of 2012, Bell-Andersen began appending to her name the designation “ChFC” on her linkedin profile page.

27 17. Bell-Andersen also maintains a website at www.bellandersenfianncial.com to advertise BAFS. Since May of
28 2012, Bell-Andersen has appended the “ChFC” designation to her name on her website. Bell-Andersen also has made
29 available on her website articles and general information relating to securities investments. For example, as of
30 September of 2012, at the URL “[http://www.bellandersenfinancial.com/resource-center/investment/a-look-at-](http://www.bellandersenfinancial.com/resource-center/investment/a-look-at-diversification)
31 [diversification](http://www.bellandersenfinancial.com/resource-center/investment/a-look-at-diversification)” there appeared an article which described the concept of diversification of investment portfolios and

1 particularly emphasized mutual funds and exchange traded funds. Near the end of the article the following sentence
2 appeared, "If you want more information on diversification, or have questions about how your money is invested,
3 please call so we can review your situation."

4 18. In about December of 2011, a client called Bell-Andersen and inquired about his variable annuity. Bell-
5 Andersen had previously sold the client the variable annuity while she was a registered securities salesperson. The
6 client asked that Bell-Andersen research other options he might have for the money invested in his variable annuity.
7 In or about February of 2012, Bell-Andersen presented the results of her research to her client. Bell-Andersen
8 recommended that he sell his variable annuity and purchase a fixed indexed annuity. The client also discussed with
9 Bell-Andersen the possibility of liquidating his mutual fund shares to help purchase the fixed indexed annuity. Bell-
10 Andersen advised him that if he liquidated his mutual fund shares as well as his variable annuity to purchase the fixed
11 indexed annuity, then the bonus that he would receive from the fixed indexed annuity would make up for the
12 surrender charge associated with selling the variable annuity. The client ultimately sold his variable annuity and
13 liquidated his mutual fund shares in order to purchase a fixed indexed annuity. Bell-Andersen earned a commission on
14 the sale of the fixed indexed annuity to her client.

15 *Johnson Shared Confidential Client Data with Bell-Andersen*

16 19. In order to assist Bell-Andersen in providing securities related services to their mutual clients, Johnson gave
17 Bell-Andersen his login information to a website called "Vision." Vision is a web tool that enables broker-dealer
18 representatives and investment adviser representatives to view certain financial information about their clients online,
19 including what securities they have invested in and the market value of those securities. Using Johnson's Vision login
20 information, Bell-Andersen could view financial data for all of Johnson's customers, not only the customers that Bell-
21 Andersen referred to Johnson. Johnson did not receive written permission from any of his clients to share their
22 financial data with Bell-Andersen.

23 20. On November 21, 2011, Johnson received an email from Todd Schuerman, an employee of Pacific West,
24 giving Johnson login information for a client's "NetXClient ID." The login information enabled anyone with Internet
25 access to view the client's Pacific West account information, including what securities she was invested in and the
market value of those securities. Johnson forwarded the information to Bell-Andersen, who forwarded the information
to the client. On December 10, 2011, the client emailed Bell-Andersen to inform her that the client could not access
the client's account information online with the login information supplied. Bell-Andersen forwarded the client's
email to Johnson. On January 24, 2012, Johnson emailed the client, carbon copying Bell-Andersen, with detailed
instructions about how the client could access her account information online. The instructions would allow anyone
with Internet access to view the client's Pacific West account information. At no time did the client give Johnson
written permission to share her account information with Bell-Andersen.

1 Pacific West maintained policies and procedures at the time Johnson shared client information with Bell-
2 Andersen that prohibited such sharing of information. In particular, Pacific West's code of ethics contained the
3 following, "It is our obligation to respect and protect the right to privacy of all our clients." The code of ethics also
4 stated, "Confidential or proprietary information obtained in the course of association with PACIFIC WEST
SECURITIES, INC., is not to be used for personal gain or to be shared with others for their personal benefit."

5 22. Pacific West also maintained a policy in compliance with Regulation S-P, a federal regulation codified at 17
6 C.F.R. 248, which prohibits broker-dealer firms from sharing "nonpublic personal information" and "personally
7 identifiable financial information" with certain parties without notice and an opportunity for the customer to opt out of
8 such sharing. Pacific West gave notice of its information sharing practices to its customers on its new account forms,
9 which disclosed that Pacific West shared no information with non-affiliated businesses, such as Bell-Andersen
Financial Services, which are not in common control with Pacific West. Johnson personally signed all such new
account forms when opening accounts for his customers.

10 23. Pacific West also maintained a policy requiring that any registered representative who wanted to store
11 confidential customer information with third party vendors must obtain a confidentiality agreement with that third
12 party vendor prior to the sharing of any such confidential customer information. Johnson did not enter into any
13 confidentiality agreements with Bell-Andersen prior to his sharing of confidential customer information with her.

14 *False Filing with the Securities Administrator*

15 24. Bell-Andersen and BAFS delivered a falsified document to the Securities Division pursuant to a subpoena
16 issued by the Securities Administrator. The document was falsified to conceal that Johnson gave Bell-Andersen
access to information about Johnson's clients' Pacific West securities accounts.

17 25. The Securities Administrator issued subpoena S-11-0855-12-DI01 to Bell-Andersen and BAFS on March 30,
18 2012. The subpoena required Bell-Andersen and BAFS to produce certain documents to the Securities Division,
19 including all correspondence, including email, between Bell-Andersen and Johnson. Bell-Andersen and BAFS
20 produced documents to the Securities Division pursuant to subpoena S-11-0855-12-DI01 on April 25, 2012. Included
21 in the subpoena production was a paper copy of an email from Johnson to Bell-Andersen dated December 20, 2011,
22 with a timestamp of 11:34 a.m. and a subject heading of "Misc." The email consisted primarily of a four point list
regarding some of Bell-Andersen's and Johnson's mutual clients. There was no indication on the paper copy of the
email, or any of the documents accompanying it, that any information had been withheld or redacted.

23 26. The Securities Division subsequently requested information from Multi-Financial Securities Corporation
24 relating to Bell-Andersen's and Johnson's mutual clients on June 7, 2012. Multi-Financial Securities Corporation
25 complied with the Securities Division's request, and the Securities Division received the requested information on
July 9, 2012. Included in the information from Multi-Financial Securities Corporation was an email, converted to PDF

1 format, from Johnson to Bell-Andersen dated December 20, 2011, with a timestamp of 11:34 a.m. and a subject
2 heading of "Misc." The email was identical in most respects to the email received pursuant to subpoena S-11-0855-
12-DI01 except that it included a fifth list item that read substantially as follows, "The vision pw is minime1."

3 27. The list item "The vision pw is minime1" provided Bell-Andersen with Johnson's password to the "Vision"
4 website, a tool used by investment advisers and broker-dealers to view client financial data. Bell-Andersen removed
5 this line from the paper copy of the email that she provided to the Securities Division. Bell-Andersen was aware, at
6 the time she provided the Securities Division with her subpoena response, that she was under investigation by the
7 Securities Division for acting as an unregistered investment adviser and unregistered broker-dealer. Bell-Andersen
8 also had reason to know that it was contrary to Pacific West policy and procedure for Johnson to share his Vision
9 password with her. By producing this falsified document to the Securities Division pursuant to the Securities Division
10 subpoena, Bell-Andersen made a statement to the Securities Administrator that was false or misleading in a material
11 respect. Bell-Andersen represented to the Securities Administrator that the fifth list item regarding Johnson's Vision
12 password was not a part of her email correspondence with Johnson when in fact it was.

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

14 CONCLUSIONS OF LAW

15 I.

16 John P. Johnson, as described above, engaged in one or more dishonest or unethical practices in the securities
17 business, as defined by WAC 460-22B-090, by dealing with Bell-Andersen concerning customer accounts without
18 written authorization to do so. Such conduct is grounds for the suspension of his salesperson registration pursuant to
19 RCW 21.20.110(1)(g).

20 II.

21 The client information accessible via Vision and via the NetXClient ID described above, is "nonpublic
22 personal information" and "personally identifiable financial information" as defined by Regulation S-P, 17 C.F.R.
23 248.3(t)(1) and 17 C.F.R. 248.3(u)(1), respectively.

24 III.

25 John P. Johnson, as described above, engaged in one or more dishonest or unethical practices in the securities
business, as defined by WAC 460-22B-090, by sharing passwords and login information allowing Bell-Andersen
access to nonpublic personal information and personally identifiable financial information. Such conduct is a violation
of FINRA Rule 2010 and is grounds for the suspension of his salesperson registration pursuant to RCW
21.20.110(1)(g).

IV.

Bonita Kay Bell-Andersen and Bell-Andersen Financial Services, LLC, as described above, acted as a broker-dealer in the state of Washington as defined by RCW 21.20.005(1), by engaging in the business of effecting transactions in securities by transmitting orders to buy and/or sell securities to Johnson which she knew or had reason to believe Johnson would act upon.

V.

Bonita Kay Bell-Andersen, as described above, violated RCW 21.20.040(1) by acting as an unregistered broker-dealer or salesperson in the state of Washington. Bell-Andersen Financial Services, LLC, as described above, violated RCW 21.20.040(1) by acting as an unregistered broker-dealer in the state of Washington. Pursuant to RCW 21.20.110(1)(b) and RCW 21.20.110(1)(g), such conduct is grounds for denying future broker-dealer, securities salesperson, investment adviser and/or investment adviser representative registration applications and Brookstone Capital Management, LLC's investment adviser representative application made on Bell-Andersen's behalf.

VI.

Bonita Kay Bell-Andersen and Bell-Andersen Financial Services, LLC, as described above, acted as an investment adviser as defined by RCW 21.20.005(8) by engaging in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing, or selling securities for compensation. Bonita Kay Bell-Andersen and Bell-Andersen Financial Services, LLC also acted as an investment adviser as defined by RCW 21.20.005(8) by providing investment advisory services to others for compensation as part of a business as an integral component of other financially related services. Bonita Kay Bell-Andersen and Bell-Andersen Financial Services, LLC also acted as an investment adviser as defined by RCW 21.20.005(8) by holding out as providing investment advisory services to others for compensation as an integral component of other financially related services.

VII.

Bonita Kay Bell-Andersen and Bell-Andersen Financial Services, LLC, as described above, violated RCW 21.20.040(3) by acting as an unregistered investment adviser in the state of Washington. Pursuant to RCW 21.20.110(1)(b) and RCW 21.20.110(1)(g), such conduct is grounds for denying future broker-dealer, securities salesperson, investment adviser and/or investment adviser representative registration applications and Brookstone Capital Management, LLC's investment adviser representative application made on Bell-Andersen's behalf.

VIII.

Bonita Kay Bell-Andersen and Bell-Andersen Financial Services, LLC, as described above, violated RCW 21.20.040(4) by holding out as investment adviser without being registered as an investment adviser in the state of Washington. Bonita Kay Bell-Andersen and Bell-Andersen Financial Services, LLC held out as an investment adviser by advertising as described above and pursuant to WAC 460-24A-040(f) by using the term "ChFC." Pursuant to RCW 21.20.110(1)(b) and RCW 21.20.110(1)(g), such conduct is grounds for denying future broker-dealer, securities

1 salesperson, investment adviser and/or investment adviser representative registration applications and Brookstone
2 Capital Management, LLC's investment adviser representative application made on Bell-Andersen's behalf.

3 **IX.**

4 Bonita Kay Bell-Andersen and Bell-Andersen Financial Services, LLC, as described above, violated RCW
5 21.20.350 by filing with the Securities Administrator a falsified document pursuant to a lawfully issued subpoena.
6 Pursuant to RCW 21.20.110(1)(b) and RCW 21.20.110(1)(g), such conduct is grounds for denying future broker-
7 dealer, securities salesperson, investment adviser and/or investment adviser representative registration applications
8 and Brookstone Capital Management, LLC's investment adviser representative application made on Bell-Andersen's
9 behalf.

10 **X.**

11 Bonita Kay Bell-Andersen is a partner, officer, director, or person performing similar functions of Quadrant
12 Wealth Management, Inc. under RCW 21.20.110(1). Bonita Kay Bell-Andersen, as described above, violated RCW
13 21.20.040(1), RCW 21.20.040(3), RCW 21.20.040(4) and RCW 21.20.350. Bonita Kay Bell-Andersen's violations of
14 the Securities Act, because she is a partner, officer, director, or person performing similar functions of Quadrant
15 Wealth Management, Inc., are grounds to deny Quadrant Wealth Management, Inc.'s investment adviser registration
16 application pursuant to RCW 21.20.110(1)(b) and RCW 21.20.110(1)(g).

17 **DENIAL OF REGISTRATION**

18 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and Conclusions of Law
19 that the sole principal of Quadrant Wealth Management, Inc. has violated the Washington State Securities Act, the
20 Securities Administrator denies the investment adviser registration of Quadrant Wealth Management, Inc.

21 **NOTICE OF INTENT TO DENY INVESTMENT ADVISER REPRESENTATIVE APPLICATION**

22 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and Conclusions of
23 Law, the Securities Administrator intends to deny the investment advisor representative registration application
24 Brookstone Capital Management, LLC filed on behalf of Bonita K. Bell-Andersen for Bonita K. Bell-Andersen to
25 become a representative of Brookstone Capital Management, LLC in Washington State.

NOTICE OF INTENT TO DENY FUTURE REGISTRATIONS

Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and Conclusions of
Law, the Securities Administrator intends to deny any investment adviser registration Bell-Andersen Financial
Services, LLC may file in the future. Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of
Fact and Conclusions of Law, the Securities Administrator intends to deny any investment adviser, investment adviser
representative, and securities salesperson registrations Bonita Kay Bell-Andersen may file in the future.

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3 **NOTICE OF INTENT TO SUSPEND SALESPERSON REGISTRATION**

4 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and Conclusions of
5 Law, the Securities Administrator intends to order that the securities salesperson registration of the Respondent John
6 Johnson be suspended for 90 days.

7 **NOTICE OF INTENT TO IMPOSE FINES**

8 Pursuant to RCW 21.20.110 and RCW 21.20.395, and based upon the above Tentative Findings of Fact and
9 Conclusions of Law, the Securities Administrator intends to order that Respondents shall be liable for and shall pay
10 fines as follows:

- 11 a. Bonita Kay Bell-Andersen and Bell-Andersen Financial Services, LLC shall be jointly and severally liable for
12 and shall pay a fine of \$30,000;
- 13 b. John P. Johnson shall be liable for and shall pay a fine of \$10,000.

14 **NOTICE OF INTENT TO CHARGE COSTS**

15 Pursuant to RCW 21.20.390, and based upon the above Tentative Findings of Fact and Conclusions of Law,
16 the Securities Administrator intends to order that Respondents shall be liable for and shall pay investigative costs as
17 follows:

- 18 a. Bonita Kay Bell-Andersen and Bell-Andersen Financial Services, LLC shall be jointly and severally liable for
19 and shall pay investigative costs of at least \$10,000;
- 20 b. John P. Johnson shall be liable for and shall pay investigative costs of at least \$5,000.

21 **NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST**

22 Pursuant to RCW 21.20.390(1) and based upon the above Tentative Findings of Fact and Conclusions of Law,
23 the Securities Administrator intends to order that Bell-Andersen Financial Services, LLC and Bonita Kay Bell-
24 Andersen, each shall cease and desist from violations of RCW 21.20.040 and RCW 21.20.350.

25 **AUTHORITY AND PROCEDURE**

This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the
provisions of Chapter 34.05 RCW. The respondents, Bell-Andersen Financial Services, LLC, Bonita Kay Bell-
Andersen, Quadrant Wealth Management, Inc. and John P. Johnson, may each make a written request for a hearing as
set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying

1 this Order. If a respondent does not make a hearing request in the time allowed, the Securities Administrator intends
2 to adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order to cease
3 and desist as to that respondent, to impose any fines sought against that respondent, and to charge any costs sought
4 against that respondent.

5 Signed and Entered this 18th day of December 2012.

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10 William M. Beatty
11 Securities Administrator

12 Approved by:

12 Reviewed by:

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16 Suzanne Sarason
17 Chief of Enforcement

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15 

16
17 Jack McClellan
18 Financial Legal Examiner Supervisor

17 Presented by:

18
19 

20
21 William McGinty
22 Financial Legal Examiner