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**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:

JFB Capital LLC;
Jason F. Bond

Respondents.

Order No.: S-12-0958-13-TO02

SUMMARY ORDER TO SUSPEND INVESTMENT
ADVISER AND INVESTMENT ADVISER
REPRESENTATIVE REGISTRATIONS AND
STATEMENT OF CHARGES AND NOTICE OF
INTENT TO REVOKE REGISTRATIONS, TO IMPOSE
FINES, AND TO CHARGE COSTS

THE STATE OF WASHINGTON TO:

**JFB Capital, LLC
Jason F. Bond**

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents, JFB Capital, LLC (“JFB Capital”) and Jason F. Bond (“Jason Bond”), as the person who controls JFB Capital, have violated the Securities Act of Washington and rules and orders under that act. The Securities Administrator finds that these violations justify the entry of an order under RCW 21.20.110 to suspend or revoke JFB Capital’s investment adviser and Jason Bond’s investment adviser representative registrations, to charge costs, and to impose a fine. Additionally, the Securities Administrator finds that the continuing operation of JFB Capital as an investment adviser by its principal, Jason Bond, would be hazardous to the public interest and that it is necessary for the protection of the investing public that a Summary Order to suspend JFB Capital’s investment adviser and Jason Bond’s investment adviser representative registrations be entered immediately.

The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

SUMMARY ORDER TO SUSPEND INVESTMENT ADVISER
AND INVESTMENT ADVISER REPRESENTATIVE
REGISTRATIONS AND STATEMENT OF CHARGES AND
NOTICE OF INTENT TO REVOKE REGISTRATIONS, TO
IMPOSE FINES, AND TO CHARGE COSTS

1

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

1 JFB Capital, LLC (“JFB Capital”) is a Washington State Limited Liability Company formed on
2 September 9, 2008. Its principal office and place of business is located at 6670 East Green Lake Way North, Seattle,
3 Washington 98103.

4 JFB Capital is registered as an investment adviser with the Securities Division pursuant to RCW
5 21.20.040 under Washington File Number 30002934. JFB Capital’s Investment Adviser Registration Depository
6 (“IARD”) number is 148468. JFB Capital’s investment adviser registration was originally approved in Washington
7 State on November 14, 2008. Its registration was suspended on May 4, 2012 by Summary Order S-12-0958-12-
8 TO01. That suspension was lifted on July 16, 2012 by Consent Order S-12-0958-12-CO01.

9 As reported in its Form ADV, the Uniform Application for Investment Adviser Registration, JFB
10 Capital has discretionary authority over client funds. Its March 29, 2012 amendment to Form ADV stated that JFB
11 Capital managed thirty-four accounts on a discretionary basis with total assets under management of \$375,000.

12 As an investment adviser with discretionary authority over client funds or securities, but without
13 custody of client funds or securities, JFB Capital is required under WAC 460-24A-170 to maintain a minimum net
14 worth of \$10,000.

15 Jason F. Bond is the sole managing member and Registered Agent of JFB Capital. Mr. Bond is the
16 only registered investment adviser representative of JFB Capital. His Central Registration Depository number is
17 5500808. Jason Bond is JFB Capital’s only Direct Owner/Executive Officer reported on IARD.

18 Nature of the Conduct

19 *Background*

20 On May 1, 2012, the Securities Division of the Washington State Department of Financial Institutions
21 (“Securities Division”), issued Summary Order S-12-0958-12-TO01 suspending JFB Capital’s investment adviser
22 registration and Jason Bond’s investment adviser representative registration for failing to maintain JFB Capital’s
23 minimum financial requirement and failing to timely inform the Securities Division of its inability to maintain its
24 minimum financial requirement.

1 7. On July 16, 2012, the Securities Division entered into Consent Order S-12-0958-12-CO01 (“Consent
2 Order”) in settlement of Summary Order S-12-0958-12-TO01 with JFB Capital and Jason Bond after Jason Bond
3 submitted evidence that JFB Capital was meeting its minimum financial requirement.

4 8. In the Consent Order, the Securities Division lifted the suspensions of JFB Capital’s investment
5 adviser registration and Jason Bond’s investment adviser representative registration after the Respondents affirmed
6 their understanding of their minimum financial requirement and the requirement to timely report any inability to meet
7 this requirement. As a part of the Consent Order, the Respondents were required to submit for a period of two years
8 to the Securities Division monthly balance sheets of JFB Capital prepared in accordance with generally accepted
9 accounting principles (“GAAP”) and the bank statements, brokerage statements, and all other supporting documents
10 for each monthly balance sheet.

11 9. In July of 2012, Jason Bond provided the Securities Division with a written statement that JFB
12 Capital did not have any liabilities and its sole asset was a TD Ameritrade (“TDA”) brokerage account. He further
13 stated that he would notify the Securities Division as a part of his monthly reporting if JFB Capital incurred any
14 liabilities. With these assurances the Securities Division agreed to accept the monthly TDA Brokerage Statements as
15 the documents required by the Consent Order.

16 *Current Conduct*

17 10. On August 30, 2012 Jason Bond submitted an account snapshot of his TDA brokerage account for his
18 August 2012 Consent Order reporting requirement. This one-page document was not the TDA Brokerage Statement
19 and did not provide daily position data. The account snapshot showed an account balance on August 30, 2012 of
20 \$10,230.97. After reviewing the submitted snapshot, the Securities Division requested the full August 2012 TDA
21 Brokerage Statement on August 30, 2012.

22 11. On September 24, 2012, after receiving multiple voicemails from the Securities Division requesting
23 the full TDA Brokerage Statement, Jason Bond emailed the Securities Division admitting that JFB Capital fell below
24 its minimum financial requirement multiple times in July and August of 2012.

1 12. On September 25, 2012, Jason Bond submitted the TDA Brokerage Statements for July and August
2 of 2012. Those statements showed that JFB Capital fell below \$10,000 in July and August of 2012. On July 31, 2012
3 the TDA Brokerage Statement showed a balance of \$7,975.79. On August 31, 2012 the TDA Brokerage Statement
4 showed a balance of \$9,718.23. Jason Bond did not report JFB Capital's inability to meet its minimum financial
5 condition until September 24, 2012.

6 13. In September of 2012, Jason Bond informed the Securities Division that he was confused by the
7 requirements. He claimed that he thought he was only required to show that JFB Capital was able to meet its
8 minimum financial requirement on one day of the month and that he was unaware of the requirement to timely inform
9 the Securities Division if JFB Capital was unable to meet its minimum financial requirement. However, the July 2012
10 Consent Order details both of these requirements.

11 14. In September and October of 2012, Jason Bond again acknowledged his understanding of both
12 requirements: (1) that JFB Capital had to meet its minimum financial requirement at all times and (2) that he was
13 required to notify the Securities Division by the close of business on the next business day if JFB Capital was unable
14 to meet its minimum financial requirement. Mr. Bond further informed the Securities Division that he intended to get
15 a certificate of deposit with enough capital to cover JFB Capital's minimum financial requirement.

16 15. Jason Bond submitted TDA Brokerage Statements showing end of the month account balances of
17 over \$10,000 in September and October of 2012. The TDA Brokerage Statements do not include a monthly minimum
18 account balance or daily account balances.

19 16. On December 10, 2012, the Securities Division had not received JFB Capital's November 2012 TDA
20 Brokerage Statement and emailed Jason Bond requesting the statement as soon as it was available. After receiving no
21 response to this request, the Securities Division sent him follow-up emails and left multiple voicemails for him to
22 send the required documents as soon as possible.

23 17. In January of 2013, after no contact from Mr. Bond since receiving the October 2012 statements in
24 early November 2012, the Securities Division sent Mr. Bond an email and a certified letter requesting the required

1 documents with the November and December 2012 information. Those communications gave a February 1, 2013
2 deadline to receive the documents before the Securities Division would initiate an administrative action against JFB
3 Capital and Jason Bond.

4 18. On January 31, 2013, Jason Bond emailed the Securities Division the November and December 2012
5 TDA Brokerage Statements. Those statements showed that JFB Capital's net worth fell below \$10,000 during most
6 of November and December 2012. On November 30, 2012 the TDA Brokerage Statement showed a balance of
7 \$4,999.66. On December 31, 2012 the TDA Brokerage Statement showed a balance of \$7,212.16.

8 19. Jason Bond did not contact the Securities Division to report JFB Capital's inability to meet its
9 minimum financial requirements in the months of November or December 2012.

10 20. Jason Bond submitted TDA Brokerage Statements showing end of the month account balances of
11 over \$10,000 in January and February of 2013. However, those statements reported numerous transfers into the
12 accounts. Because of the prior history, the Securities Division contacted TD Ameritrade, Inc for the minimum daily
13 account balances for the periods of September 1, 2012 – October 31, 2012 and January 1, 2013 – March 5, 2013. TD
14 Ameritrade, Inc provided the Securities Division with a report containing the account's liquidation value for each
15 business day from the requested period.

16 21. The TD Ameritrade report showed that the account liquidation value went below \$10,000 multiple
17 times in September and October of 2012 and multiple times in January and February 2013. The TDA Brokerage
18 Statements only contain the account balance as of the last day of the month. The only day in January 2013 where the
19 account minimum balance met or was above \$10,000 was the last day of the month, January 31, 2013. Jason Bond
20 submitted the January 2012 TDA Brokerage Statement to the Securities Division on February 4, 2013. On February
21 5, 2013, the account fell below \$10,000.

22 22. On March 4, 2013, Jason Bond submitted the February 2013 TDA Brokerage Statement. This
23 statement showed an ending balance of \$10,945.46. From the TDA report, it is clear that the account balance was
24 under \$10,000 until February 25, 2013 and it fell below \$10,000 on March 4, 2013.

EMERGENCY

The Securities Division believes that JFB Capital, LLC has been repeatedly unable to meet its minimum financial requirement and has repeatedly failed to notify the Securities Division of its inability to meet its minimum financial requirement. Additionally, the Securities Division believes that Respondents have repeatedly violated a previous Consent Order involving similar conduct. JFB Capital’s repeated violations of WAC 460-24A-170, including its repeated failures to report required information to the Securities Division, and the Respondents’ willful violation of Consent Order S-12-0958-12-CO01 constitute threats to the investing public. Therefore, the Securities Administrator finds that an emergency exists and that it is in the public interest and necessary or appropriate for the protection of the investing public to issue a Summary Order, pursuant to RCW 21.20.110(3), to suspend JFB Capital’s investment adviser and Jason Bond’s investment adviser representative registration.

SUMMARY ORDER SUSPENDING INVESTMENT ADVISER AND INVESTMENT ADVISER REPRESENTATIVE REGISTRATIONS

Based upon the foregoing:

NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED, under the authority of RCW 21.20.110(1) and (3) that Respondent, JFB Capital LLC’s investment adviser registration is suspended.

IT IS FURTHER SUMMARILY ORDERED, under the authority of RCW 21.20.110(1), (3), and (6) that Respondent, Jason Bond’s investment adviser representative registration is suspended.

NOTICE OF INTENT TO REVOKE INVESTMENT ADVISER AND INVESTMENT ADVISER REPRESENTATIVE REGISTRATIONS

Pursuant to RCW 21.20.110, and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to revoke JFB Capital, LLC’s investment adviser registration and Jason F. Bond’s investment adviser representative registration.

NOTICE OF INTENT TO IMPOSE A FINE

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Pursuant to RCW 21.20.110 and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents JFB Capital, LLC and Jason F. Bond shall be liable for and shall pay a fine of \$5,000.

NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.110, and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents, JFB Capital, LLC and Jason F. Bond shall be jointly and severally liable for and shall pay investigative costs of not less than \$1,000.

AUTHORITY AND PROCEDURE

This Order is entered pursuant to the provisions of RCW 21.20.110 and is subject to the provisions of Chapter 34.05 RCW. The Respondents may 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 the Respondents do not request a hearing in the allowed time, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final, enter a permanent order to revoke that Respondent's investment adviser or investment adviser representative registrations, to impose fines, and to charge costs.

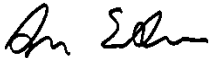
Signed and Entered this 11th day of March, 2013.



William M. Beatty
Securities Administrator

Approved by:

Presented by:



Suzanne E. Sarason
Chief of Enforcement

Elizabeth A.L. Smith
Financial Legal Examiner

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