

1
2
3
4
5
6

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

7
8
9
10
11
12

IN THE MATTER OF DETERMINING) Order No.: S-13-1155-13-SC01
Whether there has been a violation of the)
Securities Act of Washington by:) STATEMENT OF CHARGES AND NOTICE OF INTENT
) TO ENTER ORDER TO CEASE AND DESIST, TO IMPOSE
Rafael Vasquez d/b/a Rafael Vasquez Investments) A FINE, TO CHARGE COSTS, AND TO DENY FUTURE
& Securities L.L.C.;) REGISTRATIONS
)
Respondent.)

13

STATEMENT OF CHARGES

14
15
16
17
18
19
20
21
22
23

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent, Rafael Vasquez d/b/a Rafael Vasquez Investments & Securities L.L.C. has violated the Securities Act of Washington. The Securities Administrator believes those violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 against the Respondent to cease and desist from such violations and to charge costs, to impose a fine under RCW 21.20.395, and to deny certain registrations the Respondent may seek in the future pursuant to RCW 21.20.110(1). The Securities Administrator finds as follows:

24

TENTATIVE FINDINGS OF FACT

25

Respondent

1. Rafael Vasquez (“Vasquez”) is a resident of Walla Walla, Washington. During the period relevant to this Statement of Charges, Vasquez did business as Rafael Vasquez Investments & Securities L.L.C.

Nature of the Conduct

2. Beginning no later than May 2012, Vasquez maintained the website www.rafaelvasquezco.com (the “website”). During the period relevant to this Statement of Charges, the website was accessible to the general public.

3. The website included language indicating that Vasquez was offering to provide investment advisory services. At the top of the website appears “Rafael Vasquez Investments & Securities L.L.C.” Immediately below this appears the following: “Investments-Securities-Retirement-Financial Advisors.” The website states “Investments & Securities L.L.C. [p]rovides [c]omprehensive [f]inancial [s]ervices.” The website further states that Vasquez will present “a fund that can help you feel financially assured with a variety of products that meets your specific needs, and that Vasquez “works closely with all of our clients to select from a broad spectrum of quality products and services.”

4. Furthermore, the website includes links to the following: “Securities,” “Investments,” “Investment Solutions,” “Financial Services,” and “Market News.”

STATEMENT OF CHARGES AND NOTICE
OF INTENT TO ENTER ORDER TO

1

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division

CEASE AND DESIST, TO IMPOSE A FINE,
TO CHARGE COSTS, AND TO DENY FUTURE REGISTRATIONS

PO Box 9033
Olympia WA 98507-9033
360-902-8760

1 5. The website has indicated that Vasquez could assist potential clients with retirement planning. The
website has stated that Vasquez provides “the financial planning to grow and the investments to secure your future.”

2 6. In or around January 2013, the website contained a blog entry entitled “Real Estate Investments is the
3 Key to a Confident Retirement.” The blog encouraged potential clients to “[o]rganize your finances today for a more
4 confident tomorrow,” and claimed “we can address the many options you may have for retirement.” The blog further
stated “let our [i]nvestment [a]dvisors show you how and make money while doing it.”

5 7. In the blog’s comment section, Vasquez stated, “[w]e have several investment products, I can help
6 you choose the...investment that fits your budget and work[s] for you.... Call me for a free initial phone
consultation.”

7 *Investigation by the Securities Division*

8 8. The Securities Division first notified Vasquez that Vasquez’s website might be in violation of the
9 Securities Act of Washington in May 2012. Shortly thereafter, Vasquez changed the website, removing references to
financial planning and investment management.

10 9. In January 2013, Vasquez added new language to the website that indicated that Vasquez was an
11 investment advisor. The Securities Division subsequently issued a subpoena to Vasquez.

12 10. In or around March 2013, Vasquez added new language to the website indicating that he was offering
13 securities, either as an issuer or as a broker-dealer. The Securities Division sent Vasquez a letter on or around April 2,
2013 requesting that Vasquez remove all language indicating he was an investment adviser from the website.

14 11. On April 25, 2013 Vasquez verbally represented to the Securities Division that he would make the
15 requested changes to the website by May 9, 2013. As of the date of this Statement of Charges, Vasquez has not made
16 the requested changes to the website.

17 Registration Status

18 12. Rafael Vasquez is not currently registered as an investment adviser or investment adviser
19 representative in the State of Washington and has not previously been so registered.

20 **CONCLUSIONS OF LAW**

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

22 1. Rafael Vasquez has acted as an investment adviser as defined at RCW 21.20.005(8) by holding
23 himself out as an “investment advisor,” and financial adviser on the website www.rafaelvasquezco.com. By doing so
24 while not registered as an investment adviser, or exempt from such registration, in the State of Washington, Rafael
Vasquez has violated RCW 21.20.040(4).

1 2. Such conduct is a ground for denial of any investment adviser, and investment adviser representative
2 registrations Rafael Vasquez may file in the future pursuant to RCW 21.20.110(1)(b).

3 **NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST**

4 Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends
5 to order, pursuant to RCW 21.20.390(1), that Respondent Rafael Vasquez and his agents and employees each cease
6 and desist from violations of RCW 21.20.040.

7 **NOTICE OF INTENT TO IMPOSE A FINE**

8 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of Law,
9 the Securities Administrator intends to order that Respondent Rafael Vasquez shall be liable for and shall pay a fine of
10 \$5,000.

11 **NOTICE OF INTENT TO CHARGE COSTS**

12 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law, the
13 Securities Administrator intends to order that Respondent Rafael Vasquez shall be liable for and shall pay investigative
14 costs of \$500.

15 **NOTICE OF INTENT TO DENY FUTURE REGISTRATIONS**

16 Pursuant to RCW 21.20.110, and based upon the above Tentative Findings of Fact and Conclusions of Law,
17 the Securities Administrator intends to deny any investment adviser registration and investment adviser representative
18 registration that Respondent Rafael Vasquez may seek in the future.

19 **AUTHORITY AND PROCEDURE**

20 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the
21 provisions of Chapter 34.05 RCW. The Respondent, Rafael Vasquez, may make a written request for a hearing as set
22 forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
23 Order. If the Respondent does not make a hearing request in the time allowed, the Securities Administrator intends to
24 adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order to cease
25 and desist as to the Respondent, to impose any fines sought against the Respondent, and to charge any costs sought
against the Respondent.

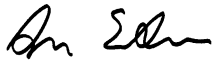
1 Signed and Entered this 10th day of June 2013.

2
3
4 

5
6 _____
7 William M. Beatty
8 Securities Administrator

9 Approved by:

Presented by:

10 

11 

12 _____
13 Suzanne Sarason
14 Chief of Enforcement

15 _____
16 Edward R. Thunen
17 Enforcement Attorney

18 Reviewed by:

19 

20 _____
21 Robert Kondrat
22 Financial Legal Examiner Supervisor