

1 **STATE OF WASHINGTON**  
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING ) Order No.: S-13-1393-14-CO01  
5 whether there has been a violation of the )  
6 Securities Act of Washington by: )  
7 Stephen F. Darnell ) CONSENT ORDER  
8 )  
9 Respondents. )

10 **INTRODUCTION**

11 Pursuant to the Securities Act of Washington, RCW 21.20.390, the Securities Division of the  
12 Department of Financial Institutions (“Securities Division”) and Respondent, Stephen F. Darnell, do hereby  
13 enter into this CONSENT ORDER in settlement of the matters alleged herein.

14 **FINDINGS OF FACT**

- 15 1. Stephen F. Darnell is an individual residing in Camas, Washington. Mr. Darnell has never been  
16 registered with the Securities Division in any capacity.
- 17 2. In 2012 and 2013 Mr. Darnell provided non-discretionary investment advice regarding securities to  
18 at least thirteen individuals. The advice generally focused selling existing investments to purchase mutual  
19 funds.
- 20 3. Mr. Darnell charged three of these individuals five hundred dollars each for his investment advice.
- 21 4. Mr. Darnell was forthcoming and admitted that he had been providing investment advice for  
22 compensation while unregistered. Mr. Darnell represented to the Securities Division that he did not know  
23 that he was required to be registered as investment adviser in order to give investment advice regarding  
24 securities for compensation. After the Securities Division informed him of the registration requirements,  
25 Mr. Darnell volunteered to refund all of the money he received for providing investment advice and  
provided the Securities Division with written evidence that he repaid the three individuals five hundred  
dollars each.

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

1 **CONCLUSIONS OF LAW**

2 Stephen F. Darnell is acting as an investment adviser, as defined under RCW 21.20.005(8), by providing  
3 advice regarding securities to clients for compensation.

4 Stephen F. Darnell violated RCW 21.20.040(3) by transacting business in Washington State as an  
5 investment adviser while not registered as an investment adviser in the State of Washington.

6 **CONSENT ORDER**

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

8 IT IS AGREED AND ORDERED that Stephen F. Darnell shall cease and desist from acting as an  
9 unregistered investment adviser in violation of RCW 21.20.040(3).

10 IT IS FURTHER AGREED AND ORDERED that Respondents Stephen F. Darnell is liable for and  
11 shall pay a fine in the amount of \$1,500 prior to the entry of this Consent Order.

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

13 IT IS FURTHER AGREED that Stephen F. Darnell entered into this Consent Order freely and  
14 voluntarily and with a full understanding of its terms and significance.

15 IT IS FURTHER AGREED that in consideration of the foregoing, Stephen F. Darnell waives his  
16 right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

17 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

18 Signed this 23 day of January 2014.

19 Signed by:

20 \_\_\_\_\_  
21 /s/  
22 Stephen F. Darnell

23 SIGNED and ENTERED this 30th day of January  
24 2014.

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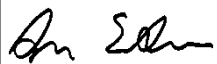


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William M. Beatty  
Securities Administrator

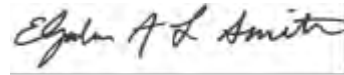
Approved by:

Presented by:



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Suzanne Sarason  
Chief of Enforcement



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Elizabeth A.L. Smith  
Financial Legal Examiner