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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:

Sarah Rose Sorensen;
Sigh of Relief, Life and Financial, Inc.;
SOR Capital, LLC,

Respondents.

Order Number S-14-1538-15-FO01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL
ORDER TO CEASE AND DESIST,
IMPOSE FINES, AND CHARGE COSTS

INTRODUCTION

On April 20, 2015, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Issue an Order to Cease and Desist, Impose Fines, and Charge Costs, S-14-1538-15-SC01, ("Statement of Charges"), against the Respondents Sarah Rose Sorensen; Sigh of Relief, Life and Financial, Inc.; and SOR Capital, LLC. The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing ("Notice of Opportunity for Hearing"), and an Application for Adjudicative Hearing ("Application for Hearing"), was served on the Respondents on April 29, 2015.

The Notice of Opportunity for Hearing advised the Respondents that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of receipt of the notice. The Statement of Charges advised the Respondents that if a hearing was not requested, the Securities Administrator intends to adopt the "Tentative Findings of Fact" and "Conclusions

**ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER
TO CEASE AND DESIST, IMPOSE FINES, AND
CHARGE COSTS**

1 of Law,” as set forth in the Statement of Charges, as final, and enter a final order against the Respondents
2 to cease and desist from violations of the Securities Act, and to impose the fines and recover costs.

3 The Respondents Sarah Rose Sorensen; Sigh of Relief, Life and Financial, Inc.; and SOR Capital,
4 LLC failed to request an administrative hearing within twenty days of receipt of the Statement of Charges
5 and Notice of Opportunity for Hearing, either on the Application for Hearing provided or otherwise. The
6 Securities Administrator therefore will adopt as final the findings of fact and conclusions of law as set forth
7 in the Statement of Charges and enter a final order against the Respondents to cease and desist from
8 violations of the Securities Act, and to impose the fines and recover costs.

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10 **FINDINGS OF FACT**

11 **Respondents**

12 1. Sarah Rose Sorensen (“Sorensen”) is a resident of Snohomish, Washington. Sorensen
13 has never been registered with the Washington State Securities Division in any capacity. Sorensen has
14 been licensed with the Washington Department of Licensing as a real estate broker since March 2014.
15 In May 2011, Sorensen filed for bankruptcy and received a discharge in September 2011.

16 2. Sigh of Relief, Life and Financial, Inc. (“Sigh of Relief”) is an active Washington
17 corporation incorporated on March 19, 2012, with a principal place of business in Mill Creek,
18 Washington. Sigh of Relief previously used a business address in Bothell, Washington. Prior to
19 incorporation, Sorensen operated Sigh of Relief as a sole proprietorship beginning in approximately July
20 2011. Sigh of Relief ceased doing business in approximately September 2014.

1 Capital. Sorensen has represented to the Securities Division that she used some of the funds for Sigh of
2 Relief business expenses and to purchase rental properties held by SOR Capital.

3 **Unregistered Investment Adviser and Investment Adviser Representative**

4 7. During at least July 2014, Sorensen maintained a website for Sigh of Relief that was
5 accessible to the general public (<http://sighofrelieflifeandfinancial.vpweb.com>). The Sigh of Relief
6 website indicated that Sorensen had previous experience as an investment adviser. The website
7 represented that Sorensen “spent several years in the corporate financial world serving as an insurance
8 agent and investment advisor.” In fact, Sorensen has never been registered as an investment adviser or
9 investment adviser representative.

10 8. The website also indicated that Sorensen and Sigh of Relief provided investment advisory
11 services. The website stated that “Sarah Sorensen, a lifelong financial consultant, and her team of
12 professionals offer comprehensive financial services.” The website listed various services offered by
13 Sorensen and Sigh of Relief, including “Retirement / Traditional Investment Review (e.g. 401k, IRA).”
14 Sorensen has represented to the Securities Division that Sigh of Relief did not in fact provide this
15 service.

16 9. In addition to the website, Sorensen also utilized a profile on LinkedIn.com during at
17 least August 2014, which listed her current employment as the owner of Sigh of Relief. Sorensen’s
18 profile stated that Sigh of Relief “clients are increasing their monthly cash flow, building a solid
19 emergency reserve, eliminating bad debt, utilizing good debt, obtaining and diversifying their
20 investments, and transforming their financial lives.” Sorensen’s skills and expertise listed on her
21 LinkedIn.com profile included “Personal Financial Planning,” “Alternative Investments,” “Investments,”

1 “IRAs,” “Retirement,” “Financial Planners,” and “Retirement Planning.” These portions of Sorensen’s
2 profile were accessible to the general public. The profile also contained an invitation to attend a
3 workshop about “achieving financial success, managing money, and alternative investments.”

4 **Unauthorized Withdrawal from a Client’s IRA**

5 10. In approximately May 2012, a Seattle, Washington resident became a client of Sigh of
6 Relief (“Client A”). Client A was a long-time family friend of Sorensen. Sorensen met with Client A
7 and discussed her budgeting software and investment opportunities relating to rental properties. Client
8 A told Sorensen that she was interested in trying the budgeting software.

9 11. Sorensen recommended that Client A roll over her traditional IRA to a Roth IRA.
10 Sorensen assisted Client A in completing an application to establish a self-directed Roth IRA with a new
11 third-party custodian. Client A liquidated her traditional IRA account, and on approximately June 4,
12 2012, \$12,034.13 was transferred to the newly-opened self-directed Roth IRA account. Days later, on or
13 about June 7, 2012, Sorensen called Client A and told her that she needed to sign some additional
14 documents soon. Sorensen did not describe or explain the forms that Client A needed to sign. Client A
15 trusted Sorensen and assumed that the documents related to the budgeting program. Since Client A did
16 not live near Sorensen’s office, Sorensen arranged for her mother to bring the documents to Client A to
17 sign.

18 12. Client A met Sorensen’s mother at a gas station and quickly signed the documents,
19 including a promissory note. The promissory note signed by Client A, dated June 7, 2012, named her as
20 the lender. The promissory note was created from a template, with blank fields to be filled in for several
21 of the terms. When Client A signed the note, most, if not all, of the blank fields were not filled in,
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1 including for the borrower's name, the interest rate, and the loan amount. Client A did not realize at the
2 time she signed this document that she was signing a document to lend funds. After Client A signed the
3 documents, Sorensen's mother collected them to return them to Sorensen.

4 13. The promissory note signed by Client A, with the empty blank fields subsequently filled
5 in, was submitted to the IRA custodian for Client A's new account. The note listed the borrower as
6 Sorensen's husband, whom she was separated from at the time (the couple later divorced). The
7 promissory note also contained the purported signature of Sorensen's husband on the note. The loan was
8 for \$8,000 with a 7% per annum interest rate. Monthly installments of \$100 were to be paid beginning
9 in September 2012.

10 14. In addition to the promissory note, an Asset Purchase Directive form and an Outgoing
11 Wire Instructions form were also submitted to the IRA custodian. Sorensen filled in the content of both
12 of these forms. While Client A's purported signature appears on both forms, Client A has stated to the
13 Securities Division that the signatures on those two forms are forgeries, and that she did not authorize
14 anyone to sign those forms on her behalf. Pursuant to the wire instructions form, \$8,000 from Client A's
15 account was wired to a joint account at Chase Bank that was in the name of Sorensen and her husband.
16 Sorensen's husband was not aware of a loan from Client A. According to Sorensen's husband, Sorensen
17 owed him \$8,000.

18 15. Client A later discovered that \$8,000 had been withdrawn from her account without her
19 knowledge. Client A learned of the unauthorized withdrawal after being contacted by the IRA custodian
20 regarding the balance of her account. Client A contacted Sorensen via email for an explanation. Client
21 A later received an e-mail response, which appeared to be written by Sorensen, indicating the funds had
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1 been borrowed to purchase a car. Client A asked Sorensen for her ex-husband's contact information (by
2 this time, Sorensen and her husband were divorced), but Sorensen did not provide it. To date, Sorensen
3 has not paid any interest or principal on the promissory note. In approximately July 2014, Sorensen sent
4 a check to Client A in the amount of \$8,000. The check was returned by the bank for insufficient funds.

5 **Promissory Notes**

6 *Personal Promissory Notes with Sorensen*

7 16. In approximately July 2011, Client B, a family friend of Sorensen who resides in Monroe,
8 Washington, became a client of Sigh of Relief. Sorensen discussed "hard money loans" with Client B
9 and solicited Client B to enter into a promissory note with her. Sorensen represented that Client B
10 would earn a return of 8% per year. Sorensen did not disclose to Client B how she would use the funds,
11 or how she would generate a return.

12 17. Client B agreed to initially invest \$3,500. On approximately July 28, 2011, Sorensen
13 drafted and executed an unsecured promissory note, with an interest rate of 8% per annum and a
14 maturity date of December 1, 2011. A few months later, Sorensen solicited Client B for another hard
15 money loan, and Client B invested an additional \$7,000. On approximately November 11, 2011,
16 Sorensen drafted and executed a second unsecured promissory note with an 8% per annum interest rate,
17 but no maturity date. The first principal and interest installment was to be made by May 1, 2012.
18 Sorensen used at least part of the funds for Sigh of Relief business expenses including overhead.
19 Sorensen also used some of the funds to purchase tax liens and to pay for her living expenses.

20 18. Sorensen failed to provide Client B with material information regarding the notes,
21 including, but not limited to, the general and specific risks involved, personal financial statements, and a
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1 description of the use of funds. Sorensen also failed to disclose that she filed for bankruptcy in May
2 2011 and that the bankruptcy was discharged in September 2011.

3 19. Sorensen defaulted on payments that were due on both notes. Sorensen did not make any
4 payments on the notes until approximately January 2013. To date, Sorensen has made payments totaling
5 approximately \$2,450 on the notes. Client B is still owed approximately \$8,050 principal plus interest.

6 *Promissory Notes Brokered by Sigh of Relief*

7 20. Between approximately July 1, 2011 and May 14, 2012, Sorensen and Sigh of Relief
8 brokered seven unsecured promissory notes so that clients could afford to purchase the budgeting
9 software. Sorensen solicited other clients to invest funds through promissory notes, with the expectation
10 that they could earn returns of 8% to 10% per year. The investor's funds were loaned to clients who paid
11 the funds to the third party vendor to purchase the budgeting software for approximately \$3,500.
12 Sorensen earned a commission of \$1,400 from each sale from the vendor.

13 21. Sorensen solicited clients to invest their retirement funds. Sorensen asked one client how
14 much she had saved for retirement and if she would lend those funds. Three clients, including one
15 which was also an employee of the business, were interested in lending funds for a profit. Sorensen
16 recommended that investors rollover their retirement funds to self-directed IRAs and then use those
17 funds to invest in the promissory notes.

18 22. Sorensen drafted promissory notes that were either in the amount of \$3,500 or \$3,660.
19 Most of the notes had an interest rate of 10% per annum, while one note had an interest rate of 8% per
20 annum. Four notes had a balloon payment that was due approximately two years after the first monthly
21 payment. Sorensen arranged for most of the lenders and borrowers to come to her office at separate
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1 times, to sign and execute the notes. After the notes were executed, Sorensen provided other services to
2 the borrowers. Sorensen would meet with the borrowers and assist them in setting up the budgeting
3 software. Sorensen entered the promissory note into the borrower's budgeting program.

4 23. Sorensen failed to provide investors with material information regarding the notes,
5 including, but not limited to, the financial condition of the borrower, the general and specific risks
6 associated with the investment, including the risk if the borrower failed to follow the budgeting program
7 and did not save enough money to pay back the loan. Sorensen failed to disclose to one investor how the
8 funds would be used, and she failed to disclose to at least one investor that she had filed for bankruptcy
9 in May 2011 and that the bankruptcy was discharged in September 2011. Sorensen also failed to
10 disclose to some investors that she defaulted on the promissory notes with Client B.

11 24. Two borrowers defaulted immediately on the payments that they owed on their notes.
12 One borrower defaulted because she thought she had borrowed funds from her own IRA to purchase the
13 budgeting software, and was not aware that she had received funds from another client for this purchase.
14 After one borrower defaulted, Sorensen re-sold the budgeting software to a new client without notifying
15 the lender. Sorensen did not execute a new promissory note for the transaction. The new borrower
16 began making monthly payments on the original note with the prior borrower. The new borrower sent
17 payments directly to the investor's self-directed IRA. The new borrower later defaulted on the note.
18 Sorensen did not disclose to the investor that she could re-sell the borrower's budgeting software
19 without brokering a new promissory note. To date, five of the borrowers have defaulted on the notes.
20 None of the promissory notes have been paid off in full.

Promissory Notes Issued by SOR Capital

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2 25. In approximately 2014, Sorensen raised approximately \$180,000 through the sale of two
3 promissory notes issued by SOR Capital to Client C, a resident of Mill Creek, Washington. Client C
4 was a family friend of Sorensen who became a client of Sigh of Relief in approximately 2012 and
5 purchased multiple rental properties from Sorensen. Sorensen told Client C that she was looking to raise
6 approximately \$2 million dollars, and was offering a secure investment involving SOR Capital.
7 Sorensen did not disclose to Client C the specific intended use of the proceeds, and only generally stated
8 possible uses for the funds, such as financing businesses and/or private lending.

9 26. In approximately January 2014, Client C agreed to initially invest \$120,000 in a
10 promissory note investment issued by SOR Capital. Sorensen provided Client C with an unsecured
11 promissory note for this investment, with a 10% per annum interest rate and a one year maturity date. A
12 few months later, in approximately April 2014, Client C invested an additional \$60,000 in SOR Capital.
13 Sorensen provided Client C with an unsecured promissory note for \$180,000, which reflected both
14 investments. The terms of the note remained the same, with a 10% per annum interest rate and a one
15 year maturity date. According to the terms of the note, Client C would receive interest-only payments of
16 \$1,500 per month, beginning in May 2014, with a balloon payment that was due on April 1, 2015.
17 Sorensen signed this note as the President of SOR Capital.

18 27. Sorensen failed to provide Client C with material information regarding this investment,
19 including, but not limited to, the general and specific risks involved, financial statements for SOR
20 Capital, and a specific description of the use of funds. Sorensen failed to disclose that she filed for
21 bankruptcy in May 2011 and that the bankruptcy was discharged in September 2011. Sorensen also
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1 failed to disclose that she had defaulted on the promissory notes with Client B and that several of the
2 notes brokered between clients for the purchase of the budgeting software were in default.

3 28. Sorensen represented to the Securities Division that she used Client C's funds to acquire
4 two rental properties in Tennessee and Missouri that are held by SOR Capital. Sorensen also stated that
5 investor funds were used to rehabilitate the Missouri property.

6 29. As of the date of this Statement of Charges, Sorensen is making monthly payments to
7 Client C. In approximately February 2015, Sorensen signed a new promissory note with Client C to
8 replace the prior note with SOR Capital that was due in April 2015. The new promissory note is in
9 Sorensen's name individually.

10 **Registration Status**

11 30. Sigh of Relief, Life and Financial, Inc. is not registered to sell promissory notes in the
12 State of Washington and has not previously been so registered.

13 31. SOR Capital, LLC is not registered to sell promissory notes in the State of Washington
14 and has not previously been so registered.

15 32. Sigh of Relief, Life and Financial, Inc. is not registered as an investment adviser in the
16 State of Washington and has not previously been so registered.

17 33. Sarah Rose Sorensen is not registered as a securities salesperson, broker-dealer,
18 investment adviser, or investment adviser representative in the State of Washington and has not
19 previously been so registered.

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

1 **CONCLUSIONS OF LAW**

2 1. The offer and/or sale of the unsecured promissory notes, as described above, constitutes
3 the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17), in the form of a note,
4 evidence of indebtedness, and/or investment contract.

5 2. Respondents Sarah Rose Sorensen, Sigh of Relief, Life and Financial, Inc., and SOR
6 Capital, LLC violated RCW 21.20.140 because, as set forth in the Tentative Findings of Fact,
7 Respondents offered and/or sold securities for which no registration is on file with the Securities
8 Administrator.

9 3. Respondent Sarah Rose Sorensen violated RCW 21.20.040 because, as set forth in the
10 Tentative Findings of Fact, she offered and/or sold said securities while not registered as a securities
11 salesperson or broker-dealer in the State of Washington.

12 4. Respondents Sarah Rose Sorensen, Sigh of Relief, Life and Financial, Inc., and SOR
13 Capital, LLC violated RCW 21.20.010 because, as set forth above, when offering and selling the
14 promissory notes they made misstatements of material facts and/or omitted to state material facts
15 necessary in order to make the statements made, in light of the circumstances under which they were
16 made, not misleading. Sarah Rose Sorensen also violated RCW 21.20.010 by employing a scheme to
17 defraud Client A, and by engaging in an act, practice, or course of business that operated as a fraud or
18 deceit upon Client A.

19 5. Sarah Sorensen and Sigh of Relief, Life and Financial, Inc. have acted as an investment
20 adviser representative as defined in RCW 21.20.005(9) and an investment adviser as defined in RCW
21 21.20.005(8), respectively, by representing that they provided investment advisory services. By doing so
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1 while not registered as an investment adviser representative or investment adviser, or exempt from such
2 registration in the State of Washington, Sarah Sorensen and Sigh of Relief, Life and Financial, Inc. have
3 violated RCW 21.20.040(4).

4 **FINAL ORDER**

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

6
7 IT IS HEREBY ORDERED that the Respondents Sarah Rose Sorensen; Sigh of Relief, Life and
8 Financial, Inc.; and SOR Capital, LLC shall cease and desist from violation of RCW 21.20.140, the
9 securities registration section of the Securities Act of Washington.

10 IT IS FURTHER ORDERED that the Respondent Sarah Rose Sorensen shall cease and desist
11 from violation of RCW 21.20.040(1), the broker-dealer and securities salesperson registration section of
12 the Securities Act of Washington.

13 IT IS FURTHER ORDERED that the Respondents Sarah Rose Sorensen; Sigh of Relief, Life
14 and Financial, Inc.; and SOR Capital, LLC shall cease and desist from violation of RCW 21.20.010, the
15 anti-fraud section of the Securities Act of Washington.

16 IT IS FURTHER ORDERED that the Respondents Sarah Rose Sorensen and Sigh of Relief, Life
17 and Financial, Inc. shall cease and desist from violation of RCW 21.20.040(4), the section of the
18 Securities Act of Washington requiring registration when holding out as an investment adviser and
19 investment adviser representative.

1 IT IS FURTHER ORDERED that the Respondent Sarah Rose Sorensen shall be liable for and
2 shall pay a fine of \$30,000; Sigh of Relief, Life and Financial, Inc. shall be liable for and shall pay a fine
3 of \$10,000; and SOR Capital, LLC shall be liable for and shall pay a fine of \$5,000.

4 IT IS FURTHER ORDERED that the Respondents Sarah Rose Sorensen; Sigh of Relief, Life
5 and Financial, Inc.; and SOR Capital, LLC shall be jointly and severally liable for investigative costs of
6 \$5,000.

7 **AUTHORITY AND PROCEDURE**

8 This Final Order is entered pursuant to the provisions of RCW 21.20.390, and is subject to the
9 provisions of RCW 21.20.440 and RCW 34.05. The Respondents have the right to petition the superior
10 court for judicial review of this agency action under the provisions of RCW 34.05. For the requirements
11 for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following. Pursuant to RCW
12 21.20.395, a certified copy of this order may be filed in Superior Court. If so filed, the clerk shall treat
13 the order in the same manner as a Superior Court judgment as to the fine, and the fine may be recorded,
14 enforced, or satisfied in like manner.

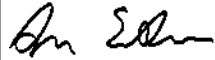
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16 DATED AND ENTERED this 22nd day of May, 2015.

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20 _____
21 William M. Beatty
22 Securities Administrator

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Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Bridgett Fisher
Financial Legal Examiner

Reviewed by:



Robert Kondrat
Financial Legal Examiner Supervisor