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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:

Steven M. Jossi, Jr.

Respondent.

Order Number S-14-1540-14-SC01

STATEMENT OF CHARGES AND NOTICE
OF INTENT TO DENY FUTURE
REGISTRATIONS

THE STATE OF WASHINGTON TO: Steven M. Jossi (CRD #4739559)

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that the Respondent, Steven M. Jossi has violated the Securities Act of Washington. The Securities Administrator believes those violations justify the denial of any investment adviser representative registration that Steven M. Jossi may seek pursuant to RCW 21.20.110(1). The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondent

1. Steven M. Jossi ("Jossi") is an Oregon resident. During the period relevant to this Statement of Charges, Jossi was a member of Pinnacle Wealth Advisors ("Pinnacle") (IARD #117517) and was registered in Oregon as an investment adviser representative. On June 21, 2012, Jossi filed an application for investment adviser representative registration with the Securities Division. Jossi

1 withdrew the application on March 21, 2014. Jossi was registered as an investment adviser representative
2 in the state of Oregon between 2004 and March 2014.

3 Nature of the Conduct

4 2. Beginning in September 2003, Jossi provided investment advisory services to his mother
5 through Pinnacle for two accounts for which Charles Schwab & Co., Inc. (“Schwab”) acted as custodian.
6 After his mother died on February 6, 2013, Jossi served as personal representative of her estate.

7 3. Schwab’s custodial platform, www.schwabadvisorcenter.com, instructed account
8 representatives to immediately notify Schwab of a client’s death. After being notified of an account
9 holder’s death, Schwab suspends all trading in the account. Schwab will not lift the restriction until it
10 receives acceptable documentation from the estate. In Mrs. Jossi’s case, Schwab would have required
11 court-certified letters testamentary, an affidavit of domicile, and a letter of authorization to distribute the
12 assets or journal the funds to an estate account signed by the executor.

13 4. On February 7 and 11, 2014, Jossi liquidated one of his mother’s accounts without
14 notifying Schwab of her death. Jossi placed seven orders to sell in the account without authority to do so,
15 selling a total of a total of \$122,971 worth of mutual fund shares. On or around February 12, 2013, Jossi
16 submitted a Check and Journal Request form to Schwab. The form requested that Schwab issue a check
17 for all the assets in the account. Jossi forged his mother’s signature on this form. Jossi deposited the
18 proceeds in a checking account in his mother’s name.

19 5. In March 2013, Schwab sent account statements to Jossi’s mother, which were returned as
20 undeliverable. In response, Schwab restricted his mother’s accounts. In an effort to get the restriction on
21 the account lifted, Jossi submitted a change of address form to Schwab on or around July 9, 2013. The
22

1 form changed the address on the accounts to Jossi's personal residence. Jossi forged his mother's
2 signature on the form.

3 6. On or around July 11, 2013, Jossi called Schwab and impersonated his deceased mother.
4 Jossi represented to Schwab that Mrs. Jossi had signed and dated the change of address form.

5 6. In or around October 2013, Jossi was confronted by Pinnacle's chief compliance officer
6 about the transactions in his deceased mother's Schwab account. Jossi initially denied impersonating his
7 mother during a phone call to Schwab. Shortly thereafter, Jossi acknowledged that he had impersonated
8 his mother during at least one phone call to Schwab. On or around December 31, 2013, Jossi resigned
9 from Pinnacle.

10 **CONCLUSIONS OF LAW**

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

12 1. Steven M. Jossi, by placing an order to sell a security for the account of a deceased client
13 without authority to do so, as described above, has committed a dishonest or unethical act as defined by
14 WAC 460-24A-220(4) and prohibited by RCW 21.20.020. Such conduct is a ground, pursuant to RCW
15 21.20.110(1)(b) and 21.20.110(1)(g) to deny any future investment adviser representative registration that
16 Steven M. Jossi might seek.

17 2. Steven M. Jossi, by forging his deceased mother's signature, and by impersonating his
18 deceased mother during a phone call to Charles Schwab & Co. Inc., has committed a fraudulent, deceptive,
19 manipulative, or unethical act as defined by WAC 460-24A-220(20) and prohibited by RCW 21.20.020.
20 Such conduct is a ground, pursuant to RCW 21.20.110(1)(b) and 21.20.110(1)(g) to deny any future
21 investment adviser representative registration that Steven M. Jossi might seek.

1 **NOTICE OF INTENT TO DENY FUTURE REGISTRATION**

2 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and
3 Conclusions of Law, the Securities Administrator intends to order that any future investment adviser
4 representative registration that Steven M. Jossi might seek will be denied.

5 **AUTHORITY AND PROCEDURE**

6 This Order is entered pursuant to the provisions of RCW 21.20.110 and RCW 21.20.390, and is
7 subject to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. The Respondent may make a
8 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
9 OPPORTUNITY FOR HEARING accompanying this Order. If the Respondent does not request a
10 hearing, the Securities Administrator intends to adopt the foregoing Tentative Findings of Fact and
11 Conclusions of Law as final, and enter a permanent order against that Respondent denying the
12 Respondent's future securities salesperson registration.

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14 DATED AND ENTERED this 8th day of October, 2014.

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19 William M. Beatty
20 Securities Administrator

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Approved by:


Presented by:

SUZANNE SARASON
Chief of Enforcement



Edward R. Thunen
Financial Legal Examiner

Reviewed by:



Robert Kondrat
Financial Legal Examiner Supervisor