

1 securities salesperson. Mr. Baker has at no time been registered as an investment adviser in Washington
2 state. Mr. Baker’s Central Registration Depository (CRD) number is 809683.

3 2. Respondent Baker & Associates, LLC (“Baker & Associates”) is a Washington limited
4 liability company formed on March 28, 2003. Its principal office is in Spokane, Washington. Mr. Baker is
5 Baker & Associates’ owner, president, and chief compliance officer. Baker & Associates has at no time
6 been registered as an investment adviser or broker dealer in Washington state. Baker & Associates’ CRD
7 number is 305284.

8 *Nature of the Conduct*

9 3. From at least March 22, 2019 to the present, Respondents have maintained a website,
10 www.baker-associates.com. The website represents Baker & Associates as a “financial advisor” that offers
11 services including “financial planning services”.

12 4. A heading near the top of each page on the website, www.baker-associates.com, states
13 “Baker & Associates, LLC. Financial Advisor”. On March 22, 2019, the website contained this heading.

14 5. The homepage for www.baker-associates.com includes the statement, “Prepare for your
15 future with our financial planning services.” On March 22, 2019, the homepage contained this statement.

16 6. The homepage for www.baker-associates.com also includes a section entitled, “Over 45
17 Years of Financial Expertise[,] Free Initial Consultations Available.” On March 22, 2019, the website
18 contained this heading.

19 7. The homepage for www.baker-associates.com further includes a section entitled, “A Word
20 from Our Founder”. That section begins as follows: “My name is David Baker, and I earned my MBA in
21 1972 and have been a financial advisor for 46 years. I want to use my knowledge of the financial industry
22

1 to serve your needs and help you plan for your future.” On March 22, 2019, the homepage contained these
2 statements.

3 8. The website www.baker-associates.com contains a page, [https://www.baker-](https://www.baker-associates.com/retirement-income-planning)
4 [associates.com/retirement-income-planning](https://www.baker-associates.com/retirement-income-planning). This page includes a heading, “Retirement Income Options”,
5 followed by the statement, “We will sit down with you and provide a financial planning service that will
6 meet your needs, objectives, financial structure, and risks tolerances.” On March 22, 2019, this page
7 contained the similar statement, “We will sit down with you and create a financial plan that meets your
8 needs, objectives, financial structure, and risks tolerances.”

9 9. The website www.baker-associates.com contains a page, [https://www.baker-](https://www.baker-associates.com/contact)
10 [associates.com/contact](https://www.baker-associates.com/contact). The page includes a heading, “Retirement and Financial Planning Services in
11 Spokane, WA.” The page additionally includes the statement, “Thank you for your interest in our financial
12 planning service in Spokane, WA.”

13 10. On March 25, 2019, the Washington State Department of Financial Institutions, Securities
14 Division (“Securities Division”) sent a warning letter to Respondents. The letter informed Respondents
15 that they could not hold themselves out as a “financial advisor” unless registered as an investment adviser
16 or exempt from registration.

17 11. In a letter dated July 24, 2019, the Securities Division informed Mr. Baker that he could not
18 state that he was providing financial planning services unless he was registered as an investment adviser.

19 12. After receiving notice from the Securities Division about restrictions on the use of the terms
20 “financial advisor” and “financial planning” by those not registered as investment advisers, the homepage
21 for www.baker-associates.com was modified to state, “We help clients with financial planning including
22 tax free retirement income and estate planning.”

1 13. After receiving notice from the Securities Division about restrictions on the use of the terms
2 “financial advisor” and “financial planning” by those not registered as investment advisers, Respondents
3 added to the website www.baker-associates.com an additional page, [www.baker-associates.com/ira-
5 advisor](http://www.baker-associates.com/ira-
4 advisor). This page includes a heading, “IRA Investment Advisor in Spokane, WA.” The heading is
6 followed by the statement, “Baker & Associates, LLC is a IRA investment advisor in Spokane, WA.” The
7 page also includes the statement, “Contact us today for all of your financial planning needs. We are proud
8 to serve our clients in Spokane, WA, and surrounding areas.”

9 14. In August of 2019, Baker & Associates started the application process for registration as an
10 investment adviser in Washington state. The Securities Division notified Mr. Baker that he had not
11 completed the application and requested him do so. However, he never completed the application and the
12 application was not approved.

13 15. Over one year after receiving notice from the Securities Division, Respondents continue to
14 hold themselves out as a financial advisor on the website www.baker-associates.com.

15 16. Over ten months after receiving notice from the Securities Division, Respondents continue
16 to offer financial planning services on www.baker-associates.com. Additional references to the financial
17 planning services Respondents offer have been added to the website since March 22, 2019.

18 Based upon the above Tentative Findings of Fact, the following Conclusion of Law is made:

19 CONCLUSION OF LAW

20 1. Respondents acted as an investment adviser and/or an investment adviser representative, as
21 defined in RCW 21.20.005(8) and (9), by holding themselves out as an “IRA investment advisor”, as a
22 “financial advisor”, and as providing financial planning services. By doing so while not registered as an
23 investment adviser and/or an investment adviser representative, or exempt from such registration, in the

1 state of Washington, Respondents violated RCW 21.20.040(4). Such violations constitute a basis for
2 entering an order to cease and desist and to charge costs under RCW 21.20.390 and to impose a fine under
3 RCW 21.20.395.

4 **NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST**

5 Pursuant to RCW 21.20.390(1) and based upon the above Tentative Findings of Fact and Conclusion
6 of Law, the Securities Administrator intends to order:

- 7 1. That Respondents cease and desist from violations of RCW 21.20.040(4).
8 2. That Respondents cease and desist from holding themselves out using the terms “financial
9 advisor”, “financial planning”, “investment advisor”, or any term similar to financial planner as
10 specified in WAC 460-24A-040(2) unless use of the term is in compliance with Chapter 21.20
11 RCW and the rules promulgated thereunder.

12 **NOTICE OF INTENT TO IMPOSE FINES**

13 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusion
14 of Law, the Securities Administrator intends to order that Respondents shall be jointly and severally liable
15 for and shall pay a fine of \$10,000.

16 **NOTICE OF INTENT TO CHARGE COSTS**

17 Pursuant to RCW 21.20.390(5), and based upon the above Tentative Findings of Fact and
18 Conclusion of Law, the Securities Administrator intends to order that Respondents shall be jointly and
19 severally liable for and shall pay costs of \$1,000.

20 **AUTHORITY AND PROCEDURE**

21 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is
22 subject to the provisions of Chapter 34.05 RCW. The respondents, David Baker and Baker & Associates,

1 LLC, may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO
2 DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. If a respondent does not make
3 a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative
4 Findings of Fact and Conclusion of Law as final and to enter an order to cease and desist as to that
5 respondent, to impose any fines sought against that respondent, and to charge any costs sought against that
6 respondent.

7
8 SIGNED and ENTERED this 23rd day of July, 2020.

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11 _____
12 WILLIAM M. BEATTY
13 Securities Administrator

14 Approved by:

14 Presented by:

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16 _____
17 Suzanne Sarason
18 Chief of Enforcement

16 _____
17 Brook Kellerman
18 Compliance Legal Examiner