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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:

Franklin Capital Advisors, LLC, CRD 158750
and Michael Brustkern, CRD 5273153

Respondents.

Order Number S-19-2708-19-TO01

SUMMARY ORDER

THE STATE OF WASHINGTON TO: Franklin Capital Advisors, LLC CRD 158750
Michael Brustkern, CRD 5273153

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents have violated the Securities Act of Washington. The Securities Administrator believes those violations justify the entry of an order summarily suspending Franklin Capital Advisors, LLC's investment adviser registration and Michael Brustkern's investment adviser representative registration and giving notice of the intent to revoke Respondents' registrations, to impose a fine, and to charge costs pursuant to RCW 21.20.110. The Securities Administrator finds that a delay in suspending Respondents' registrations would be hazardous to the investors and to the public interest and that this Summary Order should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

1. Franklin Capital Advisors, LLC, (Franklin Capital) has been registered as an investment adviser with the Washington State Securities Division since 2012. The investment adviser's Central Registration Depository ("CRD") number is 158750.

1 **CONCLUSIONS OF LAW**

2 1. Respondent Franklin Capital Advisors willfully violated WAC 460-24A-060 by failing to
3 timely file a 2018 fiscal year-end balance sheet. Such conduct is grounds for an order to suspend and
4 revoke an investment adviser registration under RCW 21.20.110(1)(b).

5 2. Respondent Franklin Capital Advisors willfully violated WAC 460-24A-205 by failing to
6 file an updating amendment to its Form ADV. Such conduct is grounds for an order to suspend and
7 revoke an investment adviser registration under RCW 21.20.110(1)(b).

8 3. The willful violations of WAC 460-24A-060 and WAC 460-24A-205 each constitute a
9 ground for the entry of an order imposing fines under RCW 21.20.110(1) and for charging costs under
10 RCW 21.20.110(7).

11 4. Respondent Michael Brustkern as the person who indirectly owns Franklin Capital
12 Advisors is responsible for Franklin Capital Advisors' violations of WAC 460-24A-060 and WAC 460-
13 24A-205. Such conduct is grounds for an order to suspend or revoke an investment adviser representative
14 registration under RCW 21.20.110(6) imposing fines under RCW 21.20.110(1) and for charging costs
15 under RCW 21.20.110(7).

16 **EMERGENCY**

17 The Securities Division has been unable to determine whether Franklin Capital Advisors meets the
18 minimum financial requirements for investment advisers or is providing investors with proper disclosure.
19 Therefore, the Securities Administrator finds that an emergency exists, that the continued violations of
20 WAC 460-24A-060 and WAC 460-24A-205 constitute a threat to the investing public, and a summary
21 order suspending Franklin Capital Advisors' investment adviser registration and Michael Brustkern's
22 investment adviser representative registration is in the public interest and necessary of the protection of the
23 investing public.

24 **NOTICE OF INTENT TO REVOKE REGISTRATION**

25 Pursuant to RCW 21.20.110(1)(b) and based upon the Tentative Findings of Fact and Conclusions of

1 Law, the Securities Administrator intends to enter an order revoking the investment adviser registration for
2 Franklin Capital Advisors and the investment adviser representative registration of Michael Brustkern.

3 **NOTICE OF INTENT TO IMPOSE FINES**

4 Pursuant to RCW 21.20.110(1) and based upon the Tentative Findings of Fact and Conclusions of
5 Law, the Securities Administrator intends to order that that Respondents each shall be liable for and shall
6 pay a fine of at least \$1,000.

7 **NOTICE OF INTENT TO CHARGE COSTS**

8 Pursuant to RCW 21.20.110(7) and based upon the Tentative Findings of Fact and Conclusions of
9 Law, the Securities Administrator intend to order that Respondents shall each be liable for and shall pay the
10 costs, fees, and other expenses incurred by the Securities Division in an amount not less than \$200.

11 **SUMMARY ORDER**

12 Based upon the foregoing,

13 NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED under the authority of RCW
14 21.20.110(1) and (3) that the investment adviser registration of Franklin Capital Advisors and the investment
15 adviser representative registration of Michael Brustkern is suspended pending a final determination in this
16 proceeding.

17 **AUTHORITY AND PROCEDURE**

18 This Order is entered pursuant to the provisions of chapter 21.20 RCW and is subject to the
19 provisions of RCW 21.20.120 and Chapter 34.05 RCW. The Respondents may make a written request for a
20 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
21 HEARING accompanying this Order. If a Respondent does not request a hearing in the allowed time, the
22 Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as
23 final and enter an order revoking the Respondents' registrations and imposing the fine and charging the costs
24 sought.

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

SIGNED and ENTERED this 21st day of June, 2019.



William M. Beatty
Securities Administrator

Approved by:



Suzanne E. Sarason
Chief of Enforcement

Presented by:



Kristen Standifer
Compliance Legal Examiner