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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:

Jason E. Skifstad,  
  
Respondent.

Order Number: S-20-2974-21-SC01

STATEMENT OF CHARGES AND NOTICE  
OF INTENT TO ISSUE AN ORDER TO  
SUSPEND OR REVOKE CURRENT  
REGISTRATIONS, IMPOSE A FINE, AND  
CHARGE COSTS

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THE STATE OF WASHINGTON TO: Jason E. Skifstad (CRD No. 5609746)

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**STATEMENT OF CHARGES**

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Please take notice that the Securities Administrator of the State of Washington has reason to believe that the Respondent Jason E. Skifstad has engaged in dishonest and unethical business practices while employed as an investment adviser representative and securities salesperson. The Securities Administrator believes these violations justify the entry of an order against Respondent Skifstad to cease and desist from such violations, to suspend or revoke Skifstad's current securities registration, to impose a fine, and to charge costs pursuant to RCW 21.20.110, RCW 21.20.390, and RCW 21.20.395. The Securities Administrator finds as follows:

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**TENTATIVE FINDINGS OF FACT**

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**Respondent**

1. Jason E. Skifstad (Skifstad) (CRD No. 5609746) is a resident of Silverdale, Washington. Skifstad was first employed in the securities industry in 2008 and has been employed by three broker-dealers and/or investment advisers. Most recently, from May 2020 to present, Skifstad has been employed

1 with Wiley Invest, which is a d/b/a of Clear Creek Financial Management, LLC. Previously, Skifstad was  
2 employed with Waddell & Reed, Inc. (Waddell & Reed) from August 2012 to May 2020, and by Edward  
3 Jones from October 2008 to June 2012. Skifstad has been registered as an investment adviser  
4 representative with the Washington State Securities Division for most periods between January 2009 and  
5 present, and as a securities salesperson for most periods between January 2009 and May 2020.

### 6 **Introduction**

7 2. At the end of April 2020, while employed at Waddell & Reed, Skifstad started working at  
8 home without obtaining pre-approval for a home office, in violation of firm policy. A few days later,  
9 Skifstad resigned from Waddell & Reed and began employment with Wiley Invest. After resigning from  
10 Waddell & Reed, Skifstad retained nonpublic personal information of approximately 34 clients without  
11 authorization, including client social security numbers (SSN) and Waddell & Reed financial account  
12 numbers. After associating with Wiley Invest, Skifstad used this information to pre-populate account  
13 transfer forms that he mailed to many of his former clients.

### 14 **Business Conducted from Unapproved Home Office**

15 3. Skifstad was associated with a Waddell & Reed registered office location in Silverdale until  
16 April 2020. On approximately April 25-26, 2020 (which was over a weekend), without prior notice to or  
17 approval of his firm, Skifstad moved out of the registered office location, with no intent to return to  
18 working from that office. Skifstad moved all of his client files, furniture, and personal property to his home  
19 and began conducting business from that location.

20 4. On the morning of Monday, April 27, 2020, an assistant at the registered office location sent  
21 an email to Skifstad regarding his sudden move out of the office. Several individuals, including Skifstad's  
22 direct supervisor, were cc'd on this email, and Skifstad's regional supervisor was also notified. Since

1 Skifstad was not planning to return to the registered office location, Skifstad's regional supervisor informed  
2 him that he needed to submit paperwork to register his home as a personal branch office (PBO). The next  
3 day, on April 28, 2020, Skifstad's direct supervisor had his assistant send Skifstad an email with  
4 instructions on how to obtain approval for a PBO. However, Skifstad failed to submit the paperwork to  
5 obtain approval for his home office.

6 5. Skifstad violated firm policy by conducting business activities from an unapproved home  
7 office. Pursuant to Waddell & Reed firm policy, in order to conduct business activities from a home office,  
8 a representative must first obtain pre-approval for a PBO. Due to the COVID-19 pandemic, representatives  
9 can obtain permission to work from home on a temporary basis, but for a permanent home office location,  
10 pre-approval of a PBO is still required.

#### 11 **Unauthorized Retention of Client Nonpublic Personal Information**

12 6. On May 1, 2020 (less than a week after Skifstad moved out of the registered office),  
13 Skifstad sent an email to his direct supervisor and regional supervisor to notify them that he was resigning  
14 from Waddell & Reed effective immediately. On the date that Skifstad resigned from Waddell & Reed, he  
15 commenced employment with Wiley Invest.

16 7. Skifstad made arrangements to return the client files in his possession (at his unregistered  
17 home office) to Waddell & Reed. On approximately May 2, 2020, Skifstad turned over custody of the files  
18 to a local Waddell & Reed representative. In fact, after Skifstad returned his client files, he retained  
19 nonpublic personal information of approximately 34 of his clients, without Waddell & Reed's knowledge  
20 or consent.

21 8. After associating with Wiley Invest, Skifstad contacted many of his former Waddell & Reed  
22 clients to solicit them to transfer firms with him. Skifstad then corresponded with the custodian of Wiley

1 Invest regarding the preparation of account transfer forms that he could send to former clients that may be  
2 interested in transferring firms with him.

3 9. On May 5, 2020, Skifstad provided the custodian with certain information regarding  
4 approximately 34 of his former clients. Using the clients' nonpublic personal information that he retained  
5 without authorization from Waddell & Reed, Skifstad provided the custodian with the client names,  
6 addresses, and telephone numbers. The custodian prepared account transfer forms for these former clients,  
7 which were pre-populated with their contact information and prospective new account numbers. On  
8 approximately May 6, 2020, the custodian sent these forms to Skifstad, for Skifstad to mail to his former  
9 clients.

10 10. Once Skifstad received these forms from the custodian, again using the clients' nonpublic  
11 personal information that he retained without authorization from Waddell & Reed, he handwrote in the  
12 clients' SSN and Waddell & Reed account numbers on the forms before mailing them to his former clients.  
13 Between approximately May 8 and May 15, 2020, Skifstad mailed the account transfer forms to  
14 approximately 34 of his former clients.

15 *Violation of SEC Regulation S-P*

16 11. SEC Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Personal  
17 Information (Regulation S-P) generally prohibits financial institutions from disclosing nonpublic personal  
18 information about customers unless the customer receives proper notice and opportunity to opt out.  
19 Nonpublic personal information includes names, addresses, telephone numbers, social security numbers,  
20 and financial account numbers.

21 12. By improperly retaining customer nonpublic personal information after his resignation,  
22 Skifstad caused Waddell & Reed to violate Regulation S-P. A representative that causes his firm to violate

1 Regulation S-P, violates FINRA Rule 2010, which requires registered persons to observe high standards of  
2 commercial honor and just and equitable principles of trade.

3 *Violation of Firm Policy*

4 13. Waddell & Reed is a signatory to the Protocol for Broker Recruiting (the “Protocol”), which  
5 is an agreement among firms in the securities industry that governs the use of client data when  
6 representatives transfer between firms that are signatories to the Protocol. Waddell & Reed firm policy  
7 permits representatives that terminate their association with Waddell & Reed and become associated with  
8 another firm that is a signatory to the Protocol to take certain limited client information with them,  
9 including client names, addresses, and phone numbers. The representative must deliver a list to the firm of  
10 the client information proposed to be retained.

11 14. Skifstad’s conduct violated firm policy as he failed to deliver a list to the firm of the client  
12 information proposed to be retained when transferring to a new firm, and he retained information not  
13 allowed by the Protocol, including client SSN and financial account numbers.

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

16 **CONCLUSIONS OF LAW**

17 1. Respondent Jason E. Skifstad engaged in unethical business practices, as defined by WAC  
18 460-24A-220, by conducting business from an unapproved home office and by retaining nonpublic personal  
19 information of former clients without authorization, both in violation of firm policy. Pursuant to RCW  
20 21.20.110(1)(g), such conduct is grounds for the suspension or revocation of Skifstad’s current securities  
21 registration. The Securities Administrator may also impose a fine and charge the costs of investigation,  
22 under RCW 21.20.110(1) and RCW 21.20.110(7) respectively.

1           2.     Respondent Jason E. Skifstad failed to comply with FINRA Rule 2010, Standards of  
2 Commercial Honor and Principals of Trade, by retaining the nonpublic personal information of his former  
3 customers after his resignation, which caused his firm to violate SEC Regulation S-P. Such conduct is a  
4 dishonest and unethical practice as defined by WAC 460-22B-090(19), and is grounds for the suspension or  
5 revocation of his current securities registration pursuant to RCW 21.20.110(1)(g). The Securities  
6 Administrator may also impose a fine and charge the costs of investigation, under RCW 21.20.110(1) and  
7 RCW 21.20.110(7) respectively.

8                           **NOTICE OF INTENT TO SUSPEND OR REVOKE CURRENT REGISTRATIONS**

9           Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and  
10 Conclusions of Law, the Securities Administrator intends to order that the investment adviser  
11 representative registration of Jason E. Skifstad shall be suspended or revoked.

12                           **NOTICE OF INTENT TO IMPOSE FINES**

13           Pursuant to RCW 21.20.110(1) and RCW 21.20.395, and based upon the above Tentative Findings  
14 of Fact and Conclusions of Law, the Securities Administrator intends to order that the Respondent Jason E.  
15 Skifstad shall be liable for and shall pay a fine of \$20,000.

16                           **NOTICE OF INTENT TO CHARGE COSTS**

17           Pursuant to RCW 21.20.110(7) and RCW 21.20.390, and based upon the above Tentative Findings  
18 of Fact and Conclusions of Law, the Securities Administrator intends to order that the Respondent Jason E.  
19 Skifstad shall be liable for and shall pay the costs, fees, and other expenses incurred in the administrative  
20 investigation and hearing of this matter, in an amount not less than \$5,000.

21                           **AUTHORITY AND PROCEDURE**

1 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is  
2 subject to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. The Respondent Jason E. Skifstad  
3 may make a written request for a hearing as set forth in the Notice of Opportunity for Hearing  
4 accompanying this Order. If the Respondent does not make a hearing request in the time allowed, the  
5 Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as  
6 final, and as described above, enter a permanent order to suspend or revoke registrations, and impose the  
7 fines and costs sought.

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9 Signed and Entered this 27th day of August, 2021.

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13 William M. Beatty  
14 Securities Administrator

15 Approved by:

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17 \_\_\_\_\_  
18 Suzanne Sarason  
19 Chief of Enforcement

20 Presented by:

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22 \_\_\_\_\_  
23 Bridgett Fisher  
24 Financial Legal Examiner

25 Reviewed by:



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Jack McClellan  
Financial Legal Examiner Supervisor