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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:

Order No.: S-23-3521-23-CO01

CONSENT ORDER

Elevation, LLC (CRD #140341);
Warren Carter III (CRD #6751824);
Charles Lucas III (CRD #1285092),

Respondents.

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INTRODUCTION

Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division and Respondents Elevation, LLC, Warren Carter III, and Charles Lucas III hereby enter into this Consent Order in settlement of the matters alleged herein. Respondents Elevation, LLC, Warren Carter III, and Charles Lucas III neither admit nor deny the Findings of Fact and Conclusions of Law as set forth below.

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FINDINGS OF FACT

Respondents

1. Elevation, LLC (“Elevation”) is a broker-dealer firm based in Charlotte, North Carolina. Elevation has a CRD number of 140341. Elevation has been registered with the Securities Division since February 1, 2023.

2. Warren Carter III (“Carter”) is a Texas resident and a broker-dealer representative employed by Elevation. Carter serves as Head of Elevation Private Markets at the firm. He has a CRD number of 6751824. His registration with the Securities Division is pending.

3. Charles Lucas III (“Lucas”) is a North Carolina resident who was formerly employed by Elevation as its Chief Compliance Officer (“CCO”) and General Counsel. Lucas has never been registered

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
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Olympia, WA 98504-1200
360-902-8760

1 with the Securities Division in any capacity. He has a CRD number of 1285092. He retired from the
2 securities industry on or around December 31, 2022.

3 **Nature of the Conduct**

4 4. Beginning in or around July 2019 and continuing through in or around November 2022, Carter
5 executed the sale of private, pre-IPO stock on behalf of individuals residing in Washington and private
6 equity firms based in Washington. Carter was employed by Elevation as broker-dealer representative at the
7 time these sales were executed.

8 5. Carter executed approximately 29 stock sales on behalf of approximately 25 Washington
9 clients. The total amount of the stock sales was more than \$76 million. His Washington clients paid
10 Elevation more than \$430,000 in fees for the firm's role in executing the sales.

11 6. During the relevant time period, neither Carter nor Elevation were registered with the
12 Securities Division in any capacity.

13 7. As a matter of internal policy, Elevation requires its registered representatives be registered
14 in a state before they can conduct securities transactions in that state. Elevation also requires that a
15 designated principal review each transaction to ensure that its registered representatives are registered where
16 required. According to Elevation's own rules, such principal shall not approve a transaction involving a
17 customer in a state where a representative is not properly registered.

18 8. During the relevant time period, Lucas was employed by Elevation as its CCO and General
19 Counsel. He was responsible for supervising all members of the Private Markets team at Elevation,
20 including Carter. Lucas was designated by Elevation as the principal who reviewed securities transactions
21 conducted by Carter.

22 9. Lucas approved each of the approximately 29 stock sales Carter conducted on behalf of his
23 approximately 25 Washington clients.

1 **CONCLUSIONS OF LAW**

2 1. Elevation, LLC acted as a “broker-dealer” in the state of Washington as the term is defined
3 by RCW 21.20.005(1).

4 2. Warren Carter III acted as a “salesperson” in the state of Washington as the term is defined
5 by RCW 21.20.005(15).

6 3. Elevation, LLC and Warren Carter III violated RCW 21.20.040(1), the licensee registration
7 section of the Securities Act of Washington, by engaging in broker-dealer and securities salesperson
8 activity, respectively, while not being registered as a broker-dealer or securities salesperson in the state of
9 Washington.

10 4. Charles Lucas III failed to reasonably supervise Warren Carter III, an employee subject to his
11 supervision who violated the Securities Act of Washington, and such failure is a basis under RCW
12 21.20.110(1)(j) to assess a fine against Charles Lucas III.

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

14 **CONSENT ORDER**

15 IT IS AGREED AND ORDERED that Respondents Elevation, LLC and Warren Carter III, and their
16 agents and employees, shall cease and desist from selling securities in any manner in violation of RCW
17 21.20.040, the registration section of the Securities Act of Washington.

18 IT IS AGREED AND ORDERED that Respondents Elevation, LLC, Warren Carter III, and Charles
19 Lucas III shall be jointly and severally liable for and pay a fine in the amount of \$4,000.

20 IT IS AGREED AND ORDERED that Respondents Elevation, LLC, Warren Carter III, and Charles
21 Lucas III shall be jointly and severally liable for the costs, fees, and other expenses incurred in the
22 administrative investigation in the amount of \$500.

1 IT IS AGREED AND ORDERED that this order is not a final order based on violations of any laws
2 or regulations that prohibit fraudulent, manipulative, or deceptive conduct.

3 IT IS AGREED that this order may not be presented as evidence in any legal proceeding in civil courts
4 or arbitration, except by the Securities Division in actions arising from or relating to a violation of this
5 order.

6 IT IS AGREED that Respondents Elevation, LLC, Warren Carter III, and Charles Lucas III entered
7 into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

8 IT IS AGREED that the Securities Division has jurisdiction to enter this order.

9 IT IS AGREED that in consideration of the foregoing, Respondents Elevation, LLC, Warren Carter
10 III, and Charles Lucas III waive their right to a hearing and to judicial review of this matter pursuant to
11 Chapter 34.05 RCW.

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

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16 Signed this ___ 11th ___ day of _____ October _____ 2023.

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18 Signed by:
19 Elevation, LLC
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21 _____ /s/ _____
22 Erin Gilson, Chief Compliance Officer
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_____/s/_____
Brian Guerard
Chief of Enforcement

_____/s/_____
Brett Werenski
Financial Legal Examiner

Reviewed by:

_____/s/_____
Holly Mack-Kretzler
Financial Legal Examiner Supervisor

