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-23-3587-24-CO01

Jonathan Tutt:

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CONSENT ORDER AS TO JONATHAN TUTT

Jonathan Carter,

Respondents.

INTRODUCTION

On May 24, 2024, the Securities Administrator of the Securities Division of the Department of Financial Institutions ("Securities Division") issued a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose a Fine, and to Charge Costs ("Statement of Charges"), Order Number S-23-3587-24-SC01, against Respondents Jonathan Tutt and Jonathan Carter. Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division and Respondent Jonathan Tutt hereby enter into this Consent Order in settlement of the matters alleged in the Statement of Charges. Respondent Jonathan Tutt neither admits nor denies the Findings of Fact and Conclusions of Law as set forth below:

FINDINGS OF FACT

Respondents

1. Jonathan Tutt ("Tutt"), a Washington resident, was the President and CEO of Unfiltered Inc.

Related Entity

2. Unfiltered Inc. ("Unfiltered") was a Washington corporation formed on or around July 24, 2017, and dissolved on or around June 8, 2020. Unfiltered was in the business of operating an online subscription service for Christian worship music.

Nature of the Offering

Overview

3. From 2017 to 2018, Unfiltered offered and sold at least 33 shares of stock to 6 investors, raising more than \$316,000. At least 4 of these investors were residents of the state of Washington, and they purchased at least \$300,000 of stock. Between October 2017 and May 2018, Tutt offered and sold \$240,000 of unregistered Unfiltered stock to Investor A, a Washington resident. Tutt was not a registered securities salesperson or broker-dealer in the State of Washington. While offering and selling stock to Investor A, Tutt failed to disclose material information related to the investment, including information about the company's financial condition, biographical information about its management, and the risks of investing.

The Offering

- 4. Tutt founded Unfiltered to provide customers with an "online, immersive worship experience that celebrates real, un-cut video and audio from our living room to you." The company created an online streaming platform that was available at its website www.unfiltered.org. Through this online presence, Unfiltered would be able to serve the "decentralized church," which included "individuals, home groups, senior citizens, adult care facilities[,] and churches."
- 5. Unfiltered planned to earn revenue from subscription fees. Subscribers would pay a monthly fee and receive exclusive content produced by Unfiltered. The company aimed to make music available to customers in both audio and video formats. Unfiltered hoped to acquire 10,000 subscribers and earn \$1 million in revenue in its first year of operation. The company deemed these goals "very viable."
- 6. Unfiltered claimed it could meet its subscriber and revenue goals because Tutt had "expertise in developing a team of [m]usicians that can with sensitivity create a symphony of worship and a revolution following."

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7. In or around August 2017, Unfiltered issued 100 shares of stock at \$10,000 a share. The company provided 34 shares to Tutt and 16 shares to its Vice President. Initially, the company made 30 shares available to investors. Unfiltered later released another 4 shares. The remaining shares were reserved for the company's musician pool and Unfiltered consultant partners.

8. From 2017 to 2018, 6 investors purchased at least 33 shares of Unfiltered stock. At least 4 of these investors were Washington residents, and they purchased approximately \$300,000 of stock. One stockholder, a California resident, purchased 2 shares for at least \$6,683. An Oregon couple bought a single share for \$10,000.

Investor A

- 9. In 2017, Investor A learned about the Unfiltered stock offering from friends at the church he and his family were attending at the time. Tutt was a worship leader at the same church, which is located in Vancouver, Washington. Investor A's friends told him they already invested in the company.
 - 10. Prior to investing, Investor A discussed the Unfiltered investment opportunity with Tutt.
- 11. On or about October 31, 2017, Investor A purchased 8 shares of Unfiltered stock at \$10,000 a share. Investor A received stock certificates for his shares. Prior to Investor A's purchase, he did not have a preexisting and substantive relationship to Unfiltered.
- 12. On or around November 13, 2017, Investor A purchased 2 additional shares of Unfiltered stock for \$10,000 a share. On or around January 6, 2018, Investor A purchased 6 more shares of Unfiltered stock for \$10,000 a share, and on or around March 16, 2018, Investor A purchased another 4 shares.
- 13. On April 14, 2018, Unfiltered released 4 additional shares of stock. In April and May 2018, Investor A purchased these 4 shares.

¹ Records show the investor paid Unfiltered \$6,683 and was awarded two shares of stock. Neither the company nor the Respondent provided an explanation as to why this investor did not pay \$10,000 for each share, as the other investors did.

- 14. In total, Investor A purchased 24 shares of Unfiltered stock for \$240,000. He and his family invested more money in Unfiltered than all the other investors combined. Investor A did not receive a return on his investment.
- 15. Investor A is not an accredited investor. He is a retired postal worker whose income is mostly derived from a pension and Social Security. He has a moderate amount of investing experience. He has purchased mutual funds and a duplex that produces some rental income.

Misrepresentations and Omissions of Material Fact

- 16. While offering and selling Unfiltered stock, Tutt failed to provide prospective investors with material information about the company that was necessary to make an informed investment decision. Prior to the sale, Tutt did not furnish investors with information regarding the company's financial condition or biographical information about its management.
 - 17. While offering and selling Unfiltered stock, Tutt failed to disclose the risks of investment.

Failure to Comply with Rule 4(a)(2) and RCW 21.20.320(1)

18. Unfiltered's securities transactions do not qualify as exempt from registration under Rule 4(a)(2) and its corresponding Washington exemption, RCW 21.20.320(1). Securities transactions are not exempt under these provisions if they are made as part of a public offering and/or the company fails to disclose to prospective investors the information necessary to make an informed investment decision. Unfiltered's securities transactions were conducted as part of a public offering because the company offered and sold stock to at least one investor with whom the company did not have a preexisting, substantive relationship. Moreover, Unfiltered failed to provide all prospective investors with the information necessary to make an informed investment decision because it did not furnish any documentation regarding the company's financial condition, business, operations, and management.

Registration Status

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- 19. Unfiltered is not, and has never been, registered to sell its securities in the state of Washington.
- 20. Tutt is not, and has never been, registered as securities salespersons or broker-dealer in the State of Washington.

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

CONCLUSIONS OF LAW

- 1. The offer and/or sale of the Unfiltered stock described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).
- 2. Jonathan Tutt violated RCW 21.20.140, the securities registration section of the Securities Act of Washington, by offering and/or selling securities for which no registration is on file with the Securities Administrator.
- 3. Jonathan Tutt violated RCW 21.20.040, the salesperson registration section of the Securities Act of Washington, by offering and/or selling said securities while not being registered as a securities salesperson or broker-dealer in the State of Washington.
- 4. Jonathan Tutt violated RCW 21.20.010, the anti-fraud section of the Securities Act of Washington, by making untrue statements of material fact or omitting to state material facts necessary to make the statements made, in light of the circumstances in which they were made, not misleading.

CONSENT ORDER

IT IS AGREED AND ORDERED that Respondent Jonathan Tutt, and his agents and employees, shall cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.140, the securities registration section of the Securities Act of Washington.

	IT IS AGREED AND ORDERED that Respondent Jonathan Tutt, and his agents and employees,
	shall cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.040,
	the registration section of the Securities Act of Washington.
	IT IS AGREED AND ORDERED that Respondent Jonathan Tutt, and his agents and employees,
	shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of
	Washington.
	IT IS AGREED that Respondent Jonathan Tutt entered into this Consent Order freely and voluntarily
	and with a full understanding of its terms and significance.
	IT IS AGREED that the Securities Division has jurisdiction to enter this order.
	IT IS AGREED that in consideration of the foregoing, Respondent Jonathan Tutt waives his right to
	a hearing and to judicial review of this matter pursuant to Chapter 34.05 RCW.
	WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE
	Signed this21 day ofNovember 2024.
	Signed by:
	Jonathan Tutt, Individually
	SIGNED and ENTERED this 17 day of December, 2024.
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	/s/
	William M. Beatty
	Securities Administrator
	Securities Administrator
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Approved by:	Presented by:
Brian Guerard	Brett Werenski
Brian Guerard	Brett Werenski
Chief of Enforcement	Financial Legal Examiner
Reviewed by:	
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/s/	
Holly Mack-Kretzler	
Financial Legal Examiner Supervisor	
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