

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Securities Act of Washington by:

5 Jonathan Tutt;
Jonathan Carter,

6 Respondents.

Order No. S-23-3587-24-SC01

STATEMENT OF CHARGES AND NOTICE OF
INTENT TO ENTER ORDER TO CEASE AND
DESIST, TO IMPOSE A FINE, AND TO CHARGE
COSTS

7 **THE STATE OF WASHINGTON TO:**

Jonathan Tutt
Jonathan Carter

8
9 **STATEMENT OF CHARGES**

10 Please take notice that the Securities Administrator of the State of Washington has reason to believe
11 that Respondents Jonathan Tutt and Jonathan Carter have violated the Securities Act of Washington. The
12 Securities Administrator believes these violations justify the entry of an order against Respondents Jonathan
13 Tutt and Jonathan Carter to cease and desist from such violations, to impose a fine, and to charge costs
14 pursuant to RCW 21.20.390 and RCW 21.20.395. The Securities Administrator finds as follows:

15 **TENTATIVE FINDINGS OF FACT**

16 **Respondents**

- 17 1. Jonathan Tutt (“Tutt”), a Washington resident, was the President and CEO of Unfiltered Inc.
18 2. Jonathan Carter (“Carter”), a Washington resident, was the Vice President of Unfiltered Inc.

19 **Related Entity**

20 3. Unfiltered Inc. (“Unfiltered”) was a Washington corporation formed on or around July 24,
21 2017, and dissolved on or around June 8, 2020. Unfiltered was in the business of operating an online
22 subscription service for Christian worship music.

1 **Nature of the Offering**

2 *Overview*

3 4. From 2017 to 2018, Unfiltered offered and sold at least 33 shares of stock to 6 investors,
4 raising more than \$316,000. At least 4 of these investors were residents of the state of Washington, and
5 they purchased at least \$300,000 of stock. Between October 2017 and May 2018, the Respondents offered
6 and sold \$240,000 of unregistered Unfiltered stock to Investor A, a Washington resident. The Respondents
7 were not registered securities salespersons or broker-dealers in the State of Washington. While offering and
8 selling stock to Investor A, the Respondents failed to disclose material information related to the investment,
9 including information about the company’s financial condition, biographical information about its
10 management, and the risks of investing. Moreover, Carter failed to disclose that he filed for bankruptcy in
11 2010. Finally, Respondents misrepresented that they had personally invested money in the company.

12 *The Offering*

13 5. Tutt founded Unfiltered to provide customers with an “online, immersive worship experience
14 that celebrates real, un-cut video and audio from our living room to you.” The company created an online
15 streaming platform that was available at its website www.unfiltered.org. Through this online presence,
16 Unfiltered would be able to serve the “decentralized church,” which included “individuals, home groups,
17 senior citizens, adult care facilities[,] and churches.”

18 6. Unfiltered planned to earn revenue from subscription fees. Subscribers would pay a monthly
19 fee and receive exclusive content produced by Unfiltered. The company aimed to make music available to
20 customers in both audio and video formats. Unfiltered hoped to acquire 10,000 subscribers and earn \$1
21 million in revenue in its first year of operation. The company deemed these goals “very viable.”

22 7. Unfiltered claimed it could meet its subscriber and revenue goals because Tutt had “expertise
23 in developing a team of [m]usicians that can with sensitivity create a symphony of worship and a revolution

1 following.” The company also stated that Carter has “expertise in [c]ompany formation, [s]trategic planning
2 and alliances and the sale of highly profitable enterprises.”

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

7 9. From 2017 to 2018, 6 investors purchased at least 33 shares of Unfiltered stock. At least 4 of
8 these investors were Washington residents, and they purchased approximately \$300,000 of stock. One
9 stockholder, a California resident, purchased 2 shares for at least \$6,683.¹ An Oregon couple bought a single
10 share for \$10,000.

11 *Investor A*

12 10. In 2017, Investor A learned about the Unfiltered stock offering from friends at the church he
13 and his family were attending at the time. Tutt was a worship leader at the same church, which is located in
14 Vancouver, Washington. Investor A’s friends told him they already invested in the company.

15 11. In or around July 2017, Investor A and his wife had an in-person meeting with Carter to
16 discuss the stock offering. Carter explained the investment opportunity to them. Prior to investing, Investor
17 A also discussed the Unfiltered investment opportunity with Tutt. Both Carter and Tutt told investor A that
18 they had personally invested money in the company. Carter would later claim that he and Tutt personally
19 invested \$400,000 in Unfiltered. In an email to investors, Tutt likewise represented that he had personally
20 invested in the company.

21
22
23 ¹ Records show the investor paid Unfiltered \$6,683 and was awarded two shares of stock. Neither the company nor the
Respondents provided an explanation as to why this investor did not pay \$10,000 for each share, as the other investors did.

1 18. While offering and selling Unfiltered stock, the Respondents failed to provide prospective
2 investors with material information about the company that was necessary to make an informed investment
3 decision. Prior to the sale, the Respondents did not furnish investors with information regarding the
4 company's financial condition or biographical information about its management.

5 19. While offering and selling Unfiltered stock, Respondents failed to disclose the risks of
6 investment.

7 20. While offering and selling Unfiltered stock, Respondents failed to disclose that Carter filed
8 for Chapter 7 Bankruptcy in 2010.

9 21. While offering and selling Unfiltered stock, Tutt and Carter misrepresented that they had
10 personally invested money in the company. Neither Tutt nor Carter paid for their Unfiltered stock.

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

12 22. Unfiltered's securities transactions do not qualify as exempt from registration under Rule
13 4(a)(2) and its corresponding Washington exemption, RCW 21.20.320(1). Securities transactions are not
14 exempt under these provisions if they are made as part of a public offering and/or the company fails to
15 disclose to prospective investors the information necessary to make an informed investment decision.
16 Unfiltered's securities transactions were conducted as part of a public offering because the company offered
17 and sold stock to at least one investor with whom the company did not have a preexisting, substantive
18 relationship. Moreover, Unfiltered failed to provide all prospective investors with the information necessary
19 to make an informed investment decision because it did not furnish any documentation regarding the
20 company's financial condition, business, operations, and management.

21 **Registration Status**

22 23. Unfiltered is not, and never has been, registered to sell its securities in the state of Washington.
23

1 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,
2 the Securities Administrator intends to order that:

- 3 a. Jonathan Tutt shall be liable for and shall pay a fine of \$20,000; and
- 4 b. Jonathan Carter shall be liable for and shall pay a fine of \$20,000.

5 **NOTICE OF INTENT TO CHARGE COSTS**

6 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,
7 the Securities Administrator intends to order that:

- 8 a. Jonathan Tutt shall be liable for and for and shall pay the costs, fees, and other expenses
9 incurred in the administrative investigation and hearing of this matter, in an amount not
10 less than \$1,200; and
- 11 b. Jonathan Carter shall be liable for and for and shall pay the costs, fees, and other expenses
12 incurred in the administrative investigation and hearing of this matter, in an amount not
13 less than \$1,200.

14 **AUTHORITY AND PROCEDURE**

15 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject
16 to the provisions of Chapter 34.05 RCW. Respondents Jonathan Tutt and Jonathan Carter may each make
17 a written request for a hearing as set forth in the Notice of Opportunity for Hearing accompanying this
18 Order. If a respondent does not make a hearing request in the time allowed, the Securities Administrator
19 intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a
20 permanent order to cease and desist as to that respondent, to impose any fines sought against that
21 respondent, and to charge any costs sought against that respondent.

22
23 SIGNED and ENTERED this 24th day of May, 2024.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23



/s/

William M. Beatty
Securities Administrator

Approved by:

Presented by:

/s/

/s/

Brian Guerard
Chief of Enforcement

Brett Werenski
Financial Legal Examiner

Reviewed by:

/s/

Holly Mack-Kretzler
Financial Legal Examiner Supervisor