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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:

Columbia Square Wealth Management LLC,
Charles Andrew Cook,

Respondents.

Order No. S-24-3778-24-TO01

SUMMARY ORDER SUSPENDING
REGISTRATIONS AND STATEMENT OF CHARGES
AND NOTICE OF INTENT TO ENTER ORDER TO
CEASE AND DESIST, TO REVOKE
REGISTRATIONS, TO DENY FUTURE
REGISTRATIONS, TO IMPOSE A FINE, AND TO
CHARGE COSTS

THE STATE OF WASHINGTON TO:

**Columbia Square Wealth Management LLC
(CRD 309447)
Charles Andrew Cook (CRD 2957900)**

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents Columbia Square Wealth Management LLC and Charles Andrew Cook are violating the Securities Act of Washington. The Securities Administrator believes these violations justify suspending the registrations of Respondents Columbia Square Wealth Management LLC and Charles Andrew Cook pursuant to RCW 21.20.110(1). The Securities Administrator further has reason to believe that these violations justify the entry of an order against Respondents Columbia Square Wealth Management LLC and Charles Andrew Cook to cease and desist from such violations, to revoke their investment adviser and investment adviser representative registrations, to deny future registrations, 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 it is in the public interest and is necessary or appropriate for the protection of investors to enter a summary order to immediately suspend the registrations of Respondents

1 Columbia Square Wealth Management LLC and Charles Andrew Cook. The Securities Administrator finds
2 as follows:

3 **TENTATIVE FINDINGS OF FACT**

4 **Respondents**

5 1. Columbia Square Wealth Management LLC (“CSWM”) is a Washington limited liability
6 company formed on May 14, 2020, with its principal place of business in Richland, Washington. CSWM
7 has been a registered investment adviser (“RIA”) with the Securities Division since August 21, 2020.
8 CSWM’s Central Registration Depository (“CRD”) number is 309447.

9 2. Charles Andrew Cook, aka Andrew Cook (“Cook”), is a Washington resident and both the
10 sole owner and Chief Compliance Officer of CSWM. Cook has been a registered investment adviser
11 representative with the Securities Division since August 21, 2020. Cook’s CRD number is 2957900.

12 **Nature of the Conduct**

13 3. Cook, as investment adviser representative and the Chief Compliance Officer of CSWM,
14 engaged in a scheme to defraud a client out of more than \$50,000. Cook improperly traded in a client’s
15 brokerage account and exerted unauthorized control over the client’s funds. To hide the scheme, Cook
16 repeatedly made false and misleading statements, in person and in writing, to the Washington Department
17 of Financial Institutions (“DFI”) and its staff. In addition to falsehoods related to the scheme, Cook provided
18 false information in regulatory filings related to the size of his business and his outside activities. Further,
19 CSWM failed to comply with minimum net worth requirements for advisers having custody over client
20 funds.

21 ***Charitable Non-Profit Foundation Scheme***

22 4. Sometime in 2022 or 2023, Cook became involved with a local charitable non-profit
23 foundation (the “Foundation”). At some point, Cook joined the Foundation board as treasurer.

1 5. Cook designed a website for the Foundation and assisted to develop a memorial scholarship.

2 6. On March 30, 2023, the Foundation opened an investment account with CSWM, custodied at
3 Charles Schwab & Co. (“Schwab”), the RIA custodian for CSWM—the account was initially funded with
4 \$333,293.39. Cook failed to maintain records associated with the opening of this account, including, but
5 not limited to the client agreement, a listing of accounts, and communications related to the placing or
6 execution of any order to purchase or sell any security.

7 7. Despite not having discretionary authority for any CSWM client account, Cook placed orders
8 to buy and sell securities in the account without notice to, or permission from, the Foundation.

9 8. Over the course of many months, Cook transferred more than \$50,000 from the Foundation
10 account to an undisclosed CSWM account, and eventually to his personal account. These transfers were not
11 disclosed to the Foundation.

12 9. During an examination conducted by DFI (“DFI Exam”), Cook falsely stated that he was not
13 a signatory to any of his client accounts and denied that he had control over any Foundation financial or
14 investment accounts, yet Schwab account application records show that Cook was both an Authorized
15 Person and Control Person for the Foundation account. Further, the application indicated that CSWM was
16 authorized to place trades in the Foundation account, to remit checks, and to journal cash and/or securities
17 to a Schwab brokerage account.

18 10. During the DFI Exam, Cook denied his role as treasurer with the Foundation. However, when
19 questioned further by DFI examiners, Cook admitted to his role as treasurer for the Foundation.

20 11. Ultimately, during the DFI Exam, Cook admitted to funneling Foundation funds through
21 CSWM accounts into his personal accounts, for his personal use. Cook insisted the funds were payments in
22 exchange for services he rendered to the Foundation. However, the Foundation president refuted the
23 payments were authorized by the Foundation and the Foundation did not prepare tax documents to reflect

1 any such payments. Despite Cook’s claims, the transfer of Foundation funds was done covertly and without
2 authority.

3 ***Non-compliance and Further Misrepresentations***

4 12. In its 2023 Uniform Application for Investment Adviser Registration (“Form ADV”), CSWM
5 disclosed that it had over \$3 million dollars in regulatory assets under management, however, during the
6 DFI exam, Cook admitted the figure was falsely based on the assets of a *prospective* client that ultimately
7 did not open an account.

8 13. Cook failed to disclose numerous outside business and volunteer activities in CSWM’s Form
9 ADV—activities that included purportedly paid web design work and volunteer work for the Foundation.
10 Cook’s myriad business interactions with the Foundation, a possible conflict of interest, certainly required
11 full and fair disclosure.

12 14. On April 12, 2023, Cook electronically filed with DFI CSWM’s end of fiscal year balance
13 sheet indicating that on December 31, 2022, the firm had a net worth of \$3,300, held in a single business
14 checking account. However, bank records provided in May of 2024 specify that at the time, CSWM held
15 two business bank accounts, each with a negative balance. In fact, both business accounts were ultimately
16 closed by their respective banks as they were overdrawn for several months. As such, CSWM did not have
17 a bank account between June 2023 and September 2023.

18 15. At the time CSWM engaged the Foundation as a client, CSWM did not meet the net worth
19 requirements for retaining custody of client funds. Yet, CSWM was listed as Account Owner for the
20 Foundation brokerage account.

21 **Emergency**

22 16. The Securities Administrator finds that the continued registration of Columbia Square Wealth
23 Management LLC as an investment adviser, and the continued registration of Charles Andrew Cook as an

1 investment adviser representative, as described in the above Tentative Findings of Fact, presents a threat to
2 the investing public, and that a Summary Order to suspend these registrations is in the public interest and
3 necessary for the protection of the investing public.

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

5 **CONCLUSIONS OF LAW**

6 1. Cook and CSWM made false or misleading statements in filed documents, in violation of
7 RCW 21.20.350.

8 2. Cook and CSWM engaged in one or more dishonest or unethical practices in the securities
9 business, in violation of RCW 21.20.020 and defined by the following WACs:

- 10 a. WAC 460-24A-220(2), by exercising any discretion in placing an order for the purchase
11 or sale of securities for a client without obtaining written discretionary authority from the
12 client.
- 13 b. WAC 460-24A-220(4), by placing an order to purchase or sell a security for the account of
14 a client without authority to do so.
- 15 c. WAC 460-24A-220(11), by failing to disclose to clients in writing before any advice is
16 rendered any material conflict of interest relating to the investment adviser, investment
17 adviser representative, federal covered adviser, or any employees or affiliated persons
18 thereof which could reasonably be expected to impair the rendering of unbiased and
19 objective advice, including serving as an officer, director, or similar capacity of any outside
20 company or other entity.
- 21 d. WAC 460-24A-220(20), by engaging in any act, practice, or course of business which is
22 fraudulent, deceptive, manipulative, or unethical.
- 23

1 e. WAC 460-24A-220(21), by engaging in conduct or any act, indirectly or through or by any
2 other person, which would be unlawful for such person to do directly under the provisions
3 of the Securities Act of Washington, chapter 21.20 RCW, or any rule or regulation
4 thereunder.

5 3. CSWM failed to comply with WAC 460-24A-170, by failing to maintain net worth
6 requirements for investment advisers.

7 4. CSWM failed to comply with WAC 460-24A-200, by failing to maintain required books and
8 records.

9 5. Cook and CSWM failed to comply with WAC 460-24A-205, by failing to timely file
10 amendments to its Form ADV.

11 6. Such practices are grounds for the denial of CSWM and Cook's investment adviser and
12 investment adviser representative registrations, pursuant to RCW 21.20.110(1)(g).

13 **SUMMARY ORDER**

14 Based upon the foregoing and finding it in the public interest,

15 IT IS ORDERED that the investment adviser registration of Columbia Square Wealth Management
16 LLC is summarily suspended pending a final determination in this proceeding.

17 IT IS FURTHER ORDERED that the investment adviser representative registration of Charles
18 Andrews Cook is summarily suspended pending a final determination in this proceeding.

19 **NOTICE OF INTENT TO ISSUE ORDER TO CEASE AND DESIST**

20 Pursuant to 21.20.390(1) and based on the above Tentative Findings of Fact and Conclusions of
21 Law, the Securities Administrator intends to order Columbia Square Wealth Management LLC, Charles
22 Andrew Cook, and their agents and employees, to each permanently cease and desist from violations of
23 Chapter 21.20 RCW.

AUTHORITY AND PROCEDURE

This Summary Order and Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. Columbia Square Wealth Management LLC and Charles Andrew Cook may each make a written request for a hearing as set forth in the Notice of Opportunity for Hearing accompanying this Order. If a respondent does not make a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final to that respondent and, as described above, enter a permanent order to cease and desist, to revoke registrations, to deny future registrations, and to impose any fines and costs sought against the respondent.

SIGNED and ENTERED this 31st day of May 2024.



/s/

William M. Beatty
Securities Administrator

Approved by:

Presented by:

/s/

/s/

Brian J. Guerard
Chief of Enforcement

Megan Campbell
Financial Legal Examiner

Reviewed by:

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/s/

Holly Mack-Kretzler
Financial Legal Examiner Supervisor