

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:

Heath Robert Youell,

Respondent.

SDO – 37 - 99

CONSENT ORDER

Case No. 98-11-343

THE STATE OF WASHINGTON TO: Heath Robert Youell
3930 NE Belvoir Place
Seattle, WA 98105

The Securities Division, Department of Financial Institutions, State of Washington, and respondent Heath Robert Youell (“Youell”) do hereby agree to this Consent Order in settlement of the matters alleged herein. The Securities Division makes the following Findings of Fact, and Conclusions of Law.

The Securities Division and Youell have agreed upon a basis for resolution of the matters alleged below and Youell agrees to the entry of this Consent Order pursuant to the Securities Act of Washington without admitting or denying the Securities Divisions allegations and conclusions.

FINDINGS OF FACT

1. Heath Robert Youell (“Youell”) was registered with the State of Washington as a securities salesperson and was been affiliated with N.A. Securities Corporation (“N.A.”) from August 1983 until his termination, for cause, on November 12, 1998.

CONSENT ORDER

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Securities Division
PO Box 9033
Olympia, WA 98507-9033
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1 2. Youell was employed by the N.A. office at 1600 Plaza 600 Bldg., Seattle, WA 98101.

2 3. On or about November 13, 1998 the Securities Division received notice from N.A. that Youell's
3 affiliation with them was terminated, for cause.

4 4. In response to Youell's termination by N.A., the Division instituted conducted an investigation of the
5 matter revealing the nature of Youell's conduct.

6 Nature of Youell's Conduct

7 5. On or about August 15, 1997, a retired couple (the "Customer"), residing in Alaska, signed an
8 account application to open an IRA account with Youell. The IRA was to be invested in mutual funds managed
9 by Kemper Services Company ("Kemper"). Youell did not forward the account application to Kemper or N.A.
10 for processing.

11 6. On or about February 17, 1998 Youell received two checks totaling \$54,959, from Investors
12 Insurance Corporation, representing the IRA rollover funds belonging to the Customer.

13 7. On or about February 17, 1998, Youell wrote a letter the Customer, confirming receipt of the funds
14 and telling them that he would be forwarding the checks to Kemper for deposit into the Customer's IRA
15 account.

16 8. Instead of depositing the funds to the Customer's IRA, Youell deposited the funds to his own
17 account at Key Bank in Seattle, Washington, later using the funds to buy real estate for his own personal use.

18 9. When the Customer inquired regarding the lack of statements or confirmation of their investment
19 Youell told them that he had been sending the mail to Arkansas instead of Alaska and that he would track it
20 down for them. Thereafter, until about October of 1998 Youell failed to return the Customer's telephone calls.

21 10. On or about October 25, 1998 Youell called the Customer to give them a report on their accounts.
22 Youell gave the customer two fictitious account numbers and falsely reported information regarding the general
23 return on the Customer's investments.

1 11. On or about October 28, 1999, the Customer complained to N.A. regarding the missing funds and
2 false accounts. Following the Customer's complaint, N.A. confronted Youell with the situation on or about
3 October 30, 1998. In response Youell told N.A. that he did not recall where he sent the checks.

4 12. On or about November 2, 1998 Youell telephoned his N.A. supervisor and told him that he had
5 deposited the checks into his personal account to buy property.

6 13. On or about November 2, 1998, N.A. directed Youell to cease all securities sales activities.

7 14. On or about November 5, 1998, N.A. terminated Youell's employment.

8 15. On or about April 5, 1999 Youell repaid the Customer \$54,959 plus interest and penalties.

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

10 **CONCLUSIONS OF LAW**

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12 14. Youell, as described above, engaged in one or more dishonest or unethical practices in the securities
13 business, as defined by WAC 460-22B-090, by converting customer funds to his own personal use. Such
14 practice is grounds for the suspension or revocation of his salesperson registration pursuant to RCW
15 21.20.110(1)(g).

16 15. Youell, as described above, engaged in acts, practices or courses of business which operate or
17 would operate as a fraud or deceit upon any person, in violation of RCW 21.20.010(3). Such practices are
18 grounds for the suspension or revocation of his salesperson registration pursuant to RCW 21.20.110(1)(g).

19 **ORDER AND CONSENT**

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23 The Securities Division and Youell have agreed on a basis for resolution and Youell agrees to entry of
24 this Consent Order pursuant to the Securities Act of Washington.

25 CONSENT ORDER

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27 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
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Based on the foregoing,

1. It is Agreed that the Securities Administrator shall revoke Youell's securities salesperson registration with the State of Washington and that any future application for reinstatement shall be denied.

2. It is Agreed that respondent Youell waives his right to a hearing in this matter .

3. It is Agreed that the Securities Division has jurisdiction to enter this order.

DATED this _____ day of _____, 1999.

Heath Robert Youell
Respondent

DEBORAH R. BORTNER
Securities Administrator

Presented by:

Kristina L. Kneip
Securities Examiner

Approved by:

Michael E. Stevenson
Chief of Compliance