

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

**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:

Mark Anthony Morrow,
Respondent.

Order No.: S-20-2879-20-SC01

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

THE STATE OF WASHINGTON TO: Mark Anthony Morrow

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent Mark Anthony Morrow has violated the Securities Act of Washington. The Securities Administrator believes those violations justify the entry of an order against the Respondent to cease and desist from such violations and to charge costs pursuant to RCW 21.20.390, and under RCW 21.20.395 to impose a fine. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondent

1. Mark Anthony Morrow (Morrow) is a resident of Bridgeport, Pennsylvania.

Nature of the Conduct

2. On March 16, 2020 and March 24, 2020, respectively, Morrow posted advertisements in the Spokane, Washington and Seattle, Washington Craigslist posting areas. Morrow told prospective clients that they could make \$6,000.00 a week, or \$150,000.00 over a period of months, by trading penny stocks from growth in the biotechnology industry due to the novel coronavirus outbreak. Morrow listed a number

1 of ticker symbols of stocks whose value has increased recently, and outlined that he could make money for
2 investors due to the coronavirus “panic.”

3 3. In the advertisement, Morrow stated he would trade prospective clients’ accounts and evenly
4 split the profits. Additionally, he offered to teach prospective clients his trading strategy for \$200.00.
5 Morrow exhorted prospective clients to invest with him using money received from their tax return.

6 4. Morrow posted similar advertisements in Washington posting areas, without the coronavirus-
7 specific content, since November 2019. Morrow’s previous advertisements were mostly identical to his
8 coronavirus advertisements, listing many of the same ticker symbols at the same price increase, and
9 exhorting prospective clients to use their tax return to invest with him.

10 5. Having stated in the advertisements specific trade recommendations he made in the past,
11 Morrow did not also include material information needed to make the advertisements not misleading,
12 including a complete list of trade recommendations he made over the relevant time period or other
13 information including the date and nature of the recommendations, the market price at which the
14 recommendations were made, and the current market price of those securities. Morrow also did not include
15 cautionary language about the profitability of future recommendations.

16 6. Having included past performance data in the advertisements, Morrow did not also include
17 material information needed over the relevant time period to make the advertisements not misleading,
18 including material market or economic conditions on the results, the effect of client fees on performance,
19 the potential for both profit or loss, and the material conditions, objectives, and investment strategies used
20 to obtain the performance results.

21 7. Morrow did not substantiate or provide a reasonable basis for the profit claims he made in his
22 advertisements. Morrow did not disclose whether he had previously made a trade recommendation or had
23 invested in some of the biotechnology stocks he cited.

1 2. Respondent Morrow has violated RCW 21.20.140, because, as set forth in the Tentative
2 Findings of Fact, he offered securities for which no registration is on file with the Securities Administrator.

3 3. Respondent Morrow has violated RCW 21.20.040 by offering said securities while not being
4 registered as a securities salesperson in the state of Washington.

5 4. Respondent Morrow has violated RCW 21.20.020 and WAC 460-24A-100, because, as set
6 forth in the Tentative Findings of Fact, Respondent Morrow published advertisements directed to
7 prospective clients in Washington that operate or would operate as a fraud on those prospective clients.

8 5. Respondent Morrow has violated RCW 21.20.010, because, as set forth in the Tentative
9 Findings of Fact, Respondents made untrue statements of material fact or omitted to state material facts
10 necessary to make the statements made, in light of the circumstances in which they were made, not
11 misleading.

12 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

13 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities
14 Administrator intends to order, pursuant to RCW 21.20.390(1), that Respondent Morrow, and his agents
15 and employees each shall cease and desist from violations of RCW 21.20.140, RCW 21.20.040, RCW
16 21.20.020, and RCW 21.20.010.

17 **NOTICE OF INTENT TO IMPOSE FINES**

18 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,
19 the Securities Administrator intends to order that Respondent Morrow shall be liable for and shall pay a
20 fine of \$20,000.00.

21 **NOTICE OF INTENT TO CHARGE COSTS**

22 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,
23 the Securities Administrator intends to order that Respondent Morrow shall be liable for and shall pay the

1 costs, fees, and other expenses incurred in the administrative investigation and hearing of this matter, in an
2 amount not less than \$2,312.50.

3 **AUTHORITY AND PROCEDURE**

4 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject
5 to the provisions of Chapter 34.05 RCW. Respondent Morrow may make a written request for a hearing as
6 set forth in the Notice of Opportunity for Hearing accompanying this Order. If a respondent does not make
7 a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative
8 Findings of Fact and Conclusions of Law as final and to enter a permanent order to cease and desist as to
9 that respondent, to impose any fines sought against that respondent, and to charge any costs sought against
10 that respondent.

11 Signed and Entered this 22nd day of April, 2020.

14 

16 William M. Beatty
Securities Administrator

17 Approved by:

17 Presented by:

19 

19 

21 Suzanne Sarason
Chief of Enforcement

21 Patrick Stickney
Financial Legal Examiner

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

Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor