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3 STATE OF OREGON  
4 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
5 DIVISION OF FINANCE AND CORPORATE SECURITIES

6 In the Matter of:

Case No. S-15-0068

7 JAKE M. MCGLONE,

FINAL ORDER TO CEASE AND  
DESIST, FINAL ORDER ASSESSING  
CIVIL PENALTY, AND CONSENT TO  
ENTRY OF ORDER

8 Respondent.

9 The Director of the Department of Consumer and Business Services for the State  
10 of Oregon (hereinafter “the Director”), acting in accordance with the Oregon Securities  
11 Law, Oregon Revised Statutes (“ORS”) 59.005 to 59.451, 59.991 and 59.995, and  
12 Oregon Administrative Rules (“OAR”) chapter 441, has investigated the securities  
13 salesperson (“salesperson”) license application, and the amendments thereto, of Jake M.  
14 McGlone (“Respondent”).

15 Respondent has cooperated with the Director’s investigation and wishes to resolve  
16 this matter with the Director.

17 Now, therefore, as evidenced by the signature subscribed herein, Respondent  
18 hereby CONSENTS to the entry of this Order.

19 FINDINGS OF FACT

20 The Director FINDS that:

- 21 1. Respondent is licensed in Oregon to work as a salesperson for a broker-dealer.  
22 The Central Registration Depository (“CRD”) number for Respondent is #4955931.  
23 2. In order to become licensed as a salesperson in Oregon, Respondent was  
24 required to complete the CRD Uniform Application for Securities Industry Registration  
25 or Transfer (“Form U4”). The Form U4 includes Disclosure Reporting Pages (“DRP”),  
26 wherein Respondent was required to disclose certain information identified therein,

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Labor and Industries Building  
350 Winter Street NE, Suite 410  
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1 including, but not limited to, the “Financial Disclosure” information set forth in Sections  
2 14K through 14M of the DRP. Respondent, as a licensee, has a responsibility to keep the  
3 information in the DRP continually updated.

4 3. As part of the salesperson licensing process in Oregon, Respondent completed  
5 a Form U4, including the Financial Disclosure section of the DRP, on or about November  
6 8, 2005. Respondent became licensed in Oregon as a salesperson on or about November  
7 8, 2005.

8 4. Section 14M of the DRP in U4 asks: “Do you have any unsatisfied judgments  
9 or liens against you?”

10 5. On July 15, 2014, the U.S. Internal Revenue Service filed a tax lien against  
11 the Respondent in an amount over \$40,000.

12 6. Respondent did not file an amendment to his Oregon license application,  
13 including disclosure of the above-described tax lien, in response to Section 14M of U4,  
14 until December 17, 2014, more than 30 days from the date of occurrence.

15 7. On October 1, 2014, the Oregon Department of Revenue filed a tax lien  
16 against the Respondent in an amount over \$1,500.

17 8. Respondent did not file an amendment to his Oregon license application,  
18 including disclosure of the above-described tax lien, in response to Section 14M of U4,  
19 until February 11, 2015, more than 30 days from the date of occurrence.

## 20 21 CONCLUSIONS OF LAW

22 The Director CONCLUDES that:

23 9. At all times material to this Order, Respondent has been licensed as a  
24 “salesperson” in Oregon, as defined by ORS 59.015(18)(a).

25 10. Respondent, as a licensed salesperson, is required to amend his license  
26 application on Form U4 “when there are material changes in the information contained in



1 the original application.” ORS 59.175(6); OAR 441-175-0105(3)(c).

2 11. In accordance with OAR 441-175-0105(2), Respondent is required to amend  
3 his Oregon license application within 30 days of the occurrence of any material changes  
4 in the information contained in the original application or any amendments thereto.

5 12. Section 14M of the Form U4, “Financial Disclosure,” requires that a licensed  
6 salesperson disclose the existence of any “unsatisfied judgments or liens” entered against  
7 the licensee.

8 13. The existence of an unsatisfied judgment or lien against a licensee is a  
9 “material change” of the information contained in the original application, as that term is  
10 used in ORS 59.175(6) and OAR 441-175-0105(2).

11 14. The Respondent failed to timely file an amendment to his Oregon salesperson  
12 license application within 30 days of the occurrence of a material change, in violation  
13 ORS 59.175(6) and OAR 441-175-0105(2).

14  
15 **ORDERS**

16 The Director issues the following ORDERS:

17 *Final Order to Cease and Desist*

18 A. In accordance with ORS 59.245, Respondent is hereby ORDERED to CEASE  
19 AND DESIST from failing to timely file a required amendment to his Oregon  
20 salesperson license application after a material change to the information contained in  
21 the application, as required by ORS 59.175(6) and OAR 441-175-0105(2); and violating  
22 any provision of Oregon Revised Statutes chapter 59 or Oregon Administrative Rules  
23 chapter 441.

24 *Final Order Assessing Civil Penalty*

25 15. In accordance with ORS 59.995, the Director may assess CIVIL PENALTIES  
26 in an amount not to exceed \$20,000 per violation against persons who violate the Oregon



1 Securities Law. In the case of a continuing violation, each day's continuance is a separate  
2 violation, but the maximum penalty for any continuing violation shall not exceed  
3 \$100,000.

4 16. In accordance with ORS 59.995(1), the Director hereby ORDERS the  
5 Respondent to pay a CIVIL PENALTY in the total amount of \$5,000 (five thousand  
6 dollars) for two violations of ORS 59.175(6) and OAR 441-175-0105(2).

7 17. The Director SUSPENDS the collection of \$4,000 (four thousand dollars) of  
8 the civil penalty assessed above, so long as Respondent complies with all terms and  
9 conditions of this Order and all requirements of the Oregon Securities Law. If  
10 Respondent complies with the terms of this Order and the Director has not initiated an  
11 enforcement action for new violations of the Oregon Securities Law during the three-year  
12 period from the effective date of this Order, the Director WAIVES the collection of the  
13 suspended CIVIL PENALTY assessed herein.

14 18. The Respondent shall make payment of the remaining CIVIL PENALTY of  
15 \$1,000 (one thousand dollars) as follows:

16 A. Payment of \$500 (five hundred dollars) at signing of the order, prior to the  
17 entry of this Order, but not later than June 15, 2015;

18 B. Payment of \$250 (two hundred fifty dollars) no later than July 10, 2015; and

19 C. Payment of \$250 (two hundred fifty dollars) no later than August 10, 2015.

20 19. The Director reserves the right to immediately take enforcement action,  
21 pursuant to the procedures set forth in ORS 183.745, to impose the suspended CIVIL  
22 PENALTY if Respondent violates any term of this Order.

23 20. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that  
24 provision, the entry of this Order does not limit other remedies that are available to the

25 //

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1 Director under Oregon law.

2 SO ORDERED this 17th day of June, 2015.

3 PATRICK M. ALLEN, Director  
4 Department of Consumer and Business Services

5 /s/ David Tatman

6 David C. Tatman, Administrator  
7 Division of Finance and Corporate Securities

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CONSENT OF JAKE M. MCGLONE TO ENTRY OF ORDER

I, Jake M. McGlone, state that I am a resident of the State of Oregon, that I have read the foregoing Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, and that I have been advised of my right to be represented by counsel in this matter; that I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

/s/ Jake M. McGlone  
Jake M. McGlone

State of Oregon

County of Washington

Subscribed and affirmed before me by Jake M. McGlone this 15th day of June, 2015.

/s/ Sarah L. Wilson  
Notary Public

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