

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES**

In the Matter of:

Case No. S-15-0084

Errol Guerra,

**FINAL ORDER TO CEASE
AND DESIST; ORDER
ASSESSING CIVIL
PENALTIES; AND CONSENT
TO ENTRY OF ORDER**

Respondent.

WHEREAS, the Director of the Department of Consumer and Business Services for the State of Oregon (“the Director”), acting in accordance with the Oregon Securities Law, Oregon Revised Statutes (“ORS”) 59.005 to 59.451, 59.991 and 59.995, and Oregon Administrative Rules (“OAR”) chapter 441, has investigated the securities salesperson’s license application of Errol Guerra (“Guerra” or “Respondent”) and concluded that Respondent did not timely disclose events in violation of Oregon Securities Law;

WHEREAS, Respondent has cooperated with the Director’s investigation and wishes to resolve this matter with the Director;

WHEREAS, Respondent submits to the jurisdiction of the Director;

WHEREAS, the Director agrees that the conduct alleged in Section I is not in violation of ORS 59.205(2) nor OAR 441-205-0010 to 441-205-0210;

NOW THEREFORE, as evidenced by the signature subscribed herein, Respondent hereby CONSENTS to the entry of this Order.

I. FINDINGS OF FACT

The Director FINDS that at all times relevant to this Order:

1. Guerra (CRD No. 2985779) is currently licensed in Oregon as a securities salesperson working for GWFS Equities, Inc.¹ Guerra was licensed in Oregon on March

¹ When this Consent Order refers to a “license” it means a license to act as a securities salesperson.



1 3, 2009 to October 2, 2012 with a prior employer. Guerra was out the securities industry
2 from October 2012 to March 16, 2015. On or about March 16, 2015, Guerra reapplied
3 for licensing in Oregon.

4 2. Any person applying for a salesperson’s license must complete Form U-4
5 (Uniform Application for Securities Industry Registration or Transfer). Form U-4
6 includes Disclosure Questions (Section 14) and a Disclosure Reporting Page. Licensees
7 are required to keep the information on Form U-4, including the information in Section
8 14, continually updated by filing amendments to Form U-4.

9 3. Question 14(K)(1) on Form U-4 includes this question: “Within the past 10
10 years: (1) have you made a compromise with creditors, filed a bankruptcy petition or
11 been the subject of an involuntary bankruptcy petition?”

12 4. On March 18, 2015, Guerra first reported two compromises with creditors that
13 occurred while licensed in Oregon. The events occurred on or about May 27, 2009
14 (Chase Bank USA) and November 3, 2010 (Universal Savings Bank).

15 5. Guerra reported such compromises with creditors more than 30 days after the
16 occurrence of each event.

17 **II. CONCLUSIONS OF LAW**

18 The Director incorporates Section I of the Order and CONCLUDES that at all
19 times relevant to this Order:

20 1. Guerra was a licensed “salesperson” in Oregon, as defined by ORS
21 59.015(18)(a)

22 2. Guerra was required to amend his license application on Form U-4 “when
23 there are material changes in the information contained in the original application.” ORS
24 59.175(6); OAR 441-175-0105(3)(c).

25 3. Pursuant to OAR 441-175-0105(2), Guerra was required to amend his Oregon
26



1 license application within 30 days of the occurrence of any material changes in the
2 information contained in the original application or any amendments thereto.

3 4. Guerra’s compromises with creditors constitute a “material change” of the
4 information contained in the original application, as that term is used in ORS 59.175(6)
5 and OAR 441-175-0105(2).

6 5. Guerra did not file an amendment to his Oregon license application within 30
7 days of the occurrence of a material change, in violation ORS 59.175(6) and OAR 441-
8 175-0105(2).

9 **III. ORDERS**

10 The Director issues the following ORDERS:

11 1. In accordance with ORS 59.245, Respondent is hereby ORDERED to CEASE
12 AND DESIST from:

13 a. Failing to timely file a required amendment to his Oregon license
14 application after a material change to the information contained in the
15 application, as required by ORS 59.175(6) and OAR 441-175-0105(2); and

16 b. Violating any provision of Oregon Revised Statutes Chapter 59 or Oregon
17 Administrative Rules Chapter 441.

18 2. In accordance with ORS 59.995, the Director may assess civil penalties in an
19 amount not to exceed \$20,000 per violation against persons who violate the Oregon
20 Securities Law. In the case of a continuing violation, each day’s continuance is a separate
21 violation, but the maximum penalty for any continuing violation shall not exceed
22 \$100,000.



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

4 4. The Director SUSPENDS the collection of \$4,500 of the civil penalty assessed
5 above, so long as Respondent complies with all terms and conditions of this Order and all
6 requirements of the Oregon Securities Law. If Respondent complies with the terms of this
7 Order and the Director has not initiated an enforcement action for new violations of the
8 Oregon Securities Law during the three-year period from the effective date of this Order,
9 the Director WAIVES the collection of the suspended civil penalty assessed herein.

10 5. Respondent must pay \$500 of the civil penalty at signing, prior to the entry of
11 this Order.

12 6. The Director reserves the right to immediately take enforcement action,
13 pursuant to the procedures set forth in ORS 183.745, to impose the suspended civil
14 penalty if Respondent violates any term of this Order.

15 7. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that
16 provision, the entry of this Order does not limit other remedies that are available to the
17 Director under Oregon law.

18 SO ORDERED this 7th day of July, 2015.

19 PATRICK M. ALLEN, Director
20 Department of Consumer and Business Services

21 /s/ David Tatman

22 David C. Tatman, Administrator
23 Division of Finance and Corporate Securities

