

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

In the Matter of:

WILLIAM G. GRAY III,

Respondent.

Case No. S-15-0110

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

The Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “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 (“salesperson”) license application, and the amendments thereto, of William G. Gray III (“Respondent”).

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

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

FINDINGS OF FACT

The Director FINDS that:

1. Respondent is licensed in Oregon to work as a salesperson for a broker-dealer. The Central Registration Depository (“CRD”) number for Respondent is #3268915.
2. In order to become licensed as a salesperson in Oregon, Respondent was required to complete the CRD Uniform Application for Securities Industry Registration or Transfer (“Form U-4”). The Form U-4 includes Disclosure Questions, wherein



1 Respondent was required to disclose certain information identified therein, including, but
2 not limited to, the “Financial Disclosure” information set forth in Question 14K of the
3 application. Respondent, as a licensee, has a responsibility to keep the information in the
4 application, including the financial disclosure information, continually updated.

5 3. As part of the salesperson licensing process in Oregon, Respondent completed
6 a Form U-4, including the Financial Disclosure section of the form, on or about
7 August 19, 2011. Respondent became licensed in Oregon as a salesperson on or about
8 August 19, 2011.

9 4. Question 14K of the Form U-4 asks: “Within the last 10 years have you made
10 a compromise with creditors, filed a bankruptcy petition or been the subject of an
11 involuntary bankruptcy petition?”

12 5. Between May and August 2011, the Respondent made a compromise with
13 creditors.

14 6. Respondent did not disclose the above-described compromise with creditors
15 on his license application, in response to Question 14K of Form U-4, until
16 March 2, 2012, more than 30 days from the date of occurrence.

18 CONCLUSIONS OF LAW

19 The Director CONCLUDES that:

20 7. Respondent is licensed as a “salesperson” in Oregon, as defined by ORS
21 59.015(18)(a).

22 8. Respondent, as a licensed salesperson, is required to amend his license
23 application on Form U-4 “when there are material changes in the information contained
24 in the original application.” ORS 59.175(6); OAR 441-175-0105(3)(c).

25 9. In accordance with OAR 441-175-0105(2), Respondent is required to amend
26 his Oregon license application within 30 days of the occurrence of any material changes



1 in the information contained in the original application or any amendments thereto.

2 10. Question 14K of the Form U-4, "Financial Disclosure," requires that a
3 licensed salesperson disclose a compromise with creditors.

4 11. The compromise with creditors is a "material change" of the information
5 contained in the original application, as that term is used in ORS 59.175(6) and OAR
6 441-175-0105(2).

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

11 ORDERS

12 The Director issues the following ORDERS:

13 Final Order to Cease and Desist

14 13. In accordance with ORS 59.245, Respondent is hereby ORDERED to CEASE
15 AND DESIST from:

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

19 B. Violating any provision of Oregon Revised Statutes chapter 59 or Oregon
20 Administrative Rules chapter 441.

21 Final Order Assessing Civil Penalty

22 14. In accordance with ORS 59.995, the Director may assess CIVIL PENALTIES
23 in an amount not to exceed \$20,000 per violation against persons who violate the Oregon
24 Securities Law. In the case of a continuing violation, each day's continuance is a separate
25 violation, but the maximum penalty for any continuing violation shall not exceed
26 \$100,000.

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 15. 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 16. The Director SUSPENDS the collection of \$4,000 of the civil penalty
5 assessed above, so long as Respondent complies with all terms and conditions of this
6 Order and all requirements of the Oregon Securities Law. If Respondent complies with
7 the terms of this Order and the Director has not initiated an enforcement action for new
8 violations of the Oregon Securities Law during the three-year period from the effective
9 date of this Order, the Director WAIVES the collection of the suspended CIVIL
10 PENALTY assessed herein.

11 17. Respondent must pay \$1,000 of the civil penalty at signing, prior to the entry
12 of this Order.

13 18. The Director reserves the right to immediately take enforcement action,
14 pursuant to the procedures set forth in ORS 183.745, to impose the suspended CIVIL
15 PENALTY if Respondent violates any term of this Order.

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

19 SO ORDERED this 28th day of October, 2015.

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

22 /s/ David Tatman

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

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CONSENT OF WILLIAM G. GRAY III TO ENTRY OF ORDER

I, William G. Gray III, state that I am a resident of the State of California, 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/ William G. Gray III
William G. Gray III

State of California

County of San Bernardino

Subscribed and affirmed before me by William G. Gray III this 23 day of
Oct, 2015.

/s/ Taylor Gross
Signature of Notary Public