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3 STATE OF OREGON  
4 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
5 DIVISION OF FINANCIAL REGULATION

6 In the Matter of:

Case No. S-16-0105

7 Richards, Merrill & Peterson, Inc.,

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

8 Respondent.

9  
10 The Director of the Department of Consumer and Business Services for the State  
11 of Oregon (hereinafter “the Director”), acting in accordance with the Oregon Securities  
12 Law, Oregon Revised Statutes (“ORS”) 59.005 to 59.451, 59.991 and 59.995, and  
13 Oregon Administrative Rules (“OAR”) chapter 441, has investigated the securities  
14 business activities of Richards, Merrill & Peterson, Inc. (“Respondent”).

15 Respondent wishes to resolve this matter with the Director;

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

18  
19 FINDINGS OF FACT

20 The Director FINDS that:

21 1. Respondent is a broker-dealer with a principal place of business in Spokane,  
22 Washington. The Central Registration Depository number for the Respondent is 713.

23 2. Between 2013 and 2015, six salespersons representing the Respondent  
24 effected transactions in securities with Oregon residents.

25 3. Between 2013 and 2015, Respondent, through those six salespersons, effected  
26 transactions in securities for the accounts of Oregon residents.

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1 4. At all times material to this order, Respondent was not licensed in Oregon as a  
2 broker-dealer.

3 5. At all times material to this order, the six salespersons of the Respondent who  
4 effected transactions in securities with Oregon residents were not licensed in Oregon as  
5 salespersons.

6 6. Upon information and belief, the Respondent's firm was formed in the State  
7 of Washington approximately 90 years ago, and it became registered with the United  
8 States Securities and Exchange Commission in 1936. The Director has no record of any  
9 investor complaint concerning the Respondent, and this is the first enforcement action the  
10 Director has taken regarding the Respondent.

11  
12 CONCLUSIONS OF LAW

13 The Director CONCLUDES that:

14 7. At times material to this order, Respondent was a "broker-dealer" as defined  
15 by ORS 59.015(1).

16 8. Between 2013 and 2015, Respondent transacted business in Oregon as a  
17 broker-dealer without a license under the Oregon Securities Law, in violation of ORS  
18 59.165(1).

19 9. At times material to this Order, each person who represented Respondent in  
20 effecting transactions in securities in Oregon was a "salesperson" as defined by ORS  
21 59.015(18)(a).

22 10. Between 2013 and 2015, Respondent employed six salespersons who acted in  
23 Oregon as salespersons for the Respondent, without the required salesperson licenses, in  
24 violation of ORS 59.165(3).

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ORDERS

The Director issues the following ORDERS:

*Final Order to Cease and Desist*

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

A. Transacting business in Oregon as a broker-dealer without a license under the Oregon Securities Law, in violation of ORS 59.165(1);

B. Employing a salesperson to act in Oregon unless the salesperson is licensed under the Oregon Securities Law to the Respondent, in violation of ORS 59.165(3); and

C. Violating any provision of the Oregon Securities Law.

*Final Order Assessing Civil Penalty*

12. In accordance with ORS 59.995, the Director may assess CIVIL PENALTIES in an amount not to exceed \$20,000 per violation against any person who violates or who procures, aids or abets in a violation of the Oregon Securities Law. In the case of a continuing violation, each day's continuance is a separate violation, but the maximum penalty for any continuing violation shall not exceed \$100,000.

13. In accordance with ORS 59.995(1), the Director hereby ORDERS the Respondent to pay to the Department of Consumer and Business Services a CIVIL PENALTY of \$12,500 (twelve thousand five hundred dollars) for violations of ORS 59.165(1) and ORS 59.165(3).

*Final Order to Pay Investigation Costs*

14. In addition to the civil penalty assessed above, Respondent must also pay \$2,500 (two thousand five hundred dollars) to the Department of Consumer and Business Services for investigation costs, pursuant to ORS 59.235.

15. Prior to the entry of this Order, Respondent must pay in full the civil penalty

1 and the investigation costs by check payable to “Department of Consumer and Business  
2 Services”.

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

6 SO ORDERED this 10th day of March, 2016.

7 PATRICK M. ALLEN, Director  
8 Department of Consumer and Business Services

9  
10 /s/ David Tatman  
11 David C. Tatman, Chief of Enforcement  
12 Division of Financial Regulation  
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1 CONSENT TO ENTRY OF ORDER BY RICHARDS, MERRILL & PETERSON, INC.

2 Richards, Merrill & Peterson, Inc. ("RMP") states that one or more of its  
3 employees and/or officers with appropriate authority has read this Consent Order, fully  
4 understand its contents; consents to the entry of this Consent Order, and will take any  
5 necessary steps to ensure that RMP fully complies with the terms of the Order.

6 RMP further states that it has been advised of its right to a hearing and voluntarily  
7 and without any force or duress expressly waives any right to a hearing in this matter.

8 RMP understands that this Consent Order is a public document.

9 John S. Larson is President of RMP and is authorized to execute this Consent to  
10 Entry of Order on behalf of RMP.

11 Richards, Merrill & Peterson, Inc.

12 By: /s/ John S. Larson  
13 John S. Larson  
14 President

15 State of: Washington

16 County of: Spokane

17 Subscribed and affirmed before me by John S Larson this 7 day of  
18 March, 2016.

19 /s/ Tom McDonald  
20 Notary Public

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