STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of: NICHOLAS O. BUTTON a/k/a NICK BUTTON, Respondent.	Case No. S-25-0015 FINAL ORDER TO CEASE AND DESIST, ASSESSING CIVIL PENALTIES, DENYING USE OF EXEMPTIONS, AND ORDER TO PAY RESTITUTION, ENTERED BY DEFAULT

On August 19, 2025, the Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting by and through the Division of Financial Regulation ("Division") and in accordance with Oregon Revised Statutes ("ORS") 59.005 to 59.451, 59.991 and 59.995, and the administrative rules promulgated thereunder ("the Oregon Securities Law"), served Order to Cease and Desist, Proposed Order Assessing Civil Penalties, Proposed Order Denying Use of Exemptions, Proposed Order to Pay Restitution, and Notice of Right to an Administrative Hearing S-25-0015 ("Notice") on Nicholas O. Button a/k/a Nick Button ("Respondent"). The Notice provided notice that the Director issued an order against Respondent to cease and desist from violating provisions of the Oregon Securities Law, proposed to assess civil penalties against Respondent, proposed to deny Respondent the use of exemptions, and proposed to order Respondent to pay restitution.

The Notice offered Respondent an opportunity for a hearing if requested within 20 days of the Notice. The Notice further informed Respondent that if a hearing was not conducted because Respondent did not timely request a hearing or otherwise defaulted, then the designated portion of the Division's file and all materials submitted by Respondent in this case would automatically become part of the contested case record for the purpose of proving a prima facie case.

The Director did not receive from Respondent a request for a hearing and did not

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conduct a hearing.

The Director finds that the record of this proceeding proves a prima facie case.

Now, therefore, after considering the relevant portions of the Division's file relating to this matter, the Director finds and orders as follows:

FINDINGS OF FACT

The Director FINDS that:

1. Nicholas O. Button a/k/a Nick Button ("Respondent") is a resident of Fairview, Oregon.

2. During 2023, Respondent raised a total of $140,000 from an investor ("HS") in Oregon to invest in day trading.

3. HS resides in Portland, Oregon. HS has known Respondent since childhood. While growing up, they both lived in the same neighborhood.

4. As adults, their professional lives, including HS's career in real estate and Respondent's in the mortgage industry, intersected at certain points, and they crossed paths from time to time. Eventually, HS and Respondent dated sometimes.

5. HS eventually became a girlfriend, then former girlfriend, of Respondent. Respondent has described his relationship with HS as "on again, off again". HS was in a romantic relationship with Respondent when she invested her funds with him.

6. Beginning around 2021, Respondent told HS that Respondent had retired as a mortgage broker and had become a successful day trader buying and selling securities.

7. In May 2023, Respondent offered to invest HS's money, open an account, and day trade on behalf of HS.

8. Before she invested, Respondent represented to HS that:

A. Respondent was wealthy, he had retired from working as a loan officer because he was successfully day trading for himself, his parents, brothers, and a couple of friends;

B. Respondent owned real property and had recently bought a home in Montana;

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C. If HS invested her funds with Respondent, Respondent would set up a separate investment account for HS;

D. The trades Respondent would make in the separate account for HS would mirror the trades Respondent made for himself; and

E. If HS invested her funds with Respondent, HS would receive returns "in the six figures" on her investment.

9. Before she invested, Respondent sent HS, via email, a contract outlining how his day trading program for HS would work. The contract Respondent sent to HS states:

> Trading with aTrade Copier Account
>
> Custodial Trading Agreement between Nick Button and _____ dated 5/25/23. Nick will take custody of a principal balance of _____ and deposit it into a Tradovate account under his custody and use those funds in a trade copier to mirror his trades on ES contracts both long and short at his discretion. These funds can be withdrawn at any time with a 2 days waiting period for funds to settle after trading days for funds to be available. The funds will never be withdrawn unless directed by the original principal of the funds nor will they ever be used for anything other than trading with the use of Tradovates trade copier on his primary account. While no trading program is 100% profitable the funds will be backstopped at 70% of original value to limit any unforeseen losses and profits are 100% due to the original principal of the funds. We currently do not have any losses carrying forward and are profitable. Any fiduciary misconduct or use of funds for anything other than the trading plan above is strictly prohibited and will result in forfeiture [of] the funds being traded. Updates on balances and trading progress are always available by contacting Nick Button for updates. The goal of the trading plan is to trade short term intermediate [contracts] and position will never be held overnight or thru major announced news events (i.e. earnings reports, FOMC, etc). The goal is for these profits to be compounded over a longer duration to realize broader gains for consistent trading performance in the market over time.
>
> Nick Button

10. Because HS trusted Respondent at the time, HS did not ask Respondent to sign the contract he sent to her.

11. Beginning in May 2023, relying on the representations made to her by Respondent, HS gave Respondent three checks totaling $140,000 to invest on her behalf,

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including:

A. $20,000 by check dated May 31, 2023, payable to Respondent;

B. $20,000 by check dated June 14, 2023, payable to Respondent, with "retirement" noted on the memo line of the check; and

C. $100,000 by check dated December 21, 2023 payable to Respondent, with "investment" noted on the memo line of the check.

12. Shortly after Respondent received funds from HS, Respondent deposited her funds in his personal bank accounts. Respondent eventually transferred a total of approximately $52,000 of the funds he had received from HS to his personal investment accounts. HS did not have access to Respondent's bank or investment accounts.

13. During 2023 and 2024, Respondent engaged in some trading in securities on behalf of HS, essentially managing investments for HS. Respondent, on behalf of HS, decided which securities to buy, hold and/or sell.

14. A year later, all of the funds HS invested with Respondent were gone.

15. Unbeknownst to HS, instead of investing all the funds HS had given Respondent to invest for her, Respondent had used the majority of her funds to pay personal expenses. Bank records from Respondent's bank accounts reflect transactions where Respondent made multiple ATM cash withdrawals, bill payments, tuition payments to Montana State University, and funds transfers to himself and others.

16. Without the knowledge or consent of HS, Respondent transferred a total of at least $28,000 to another woman "KP", who also had a romantic relationship with Respondent. Without the knowledge or consent of HS, Respondent spent some of the funds HS invested with him on travel expenses for trips, without HS, to Texas and California.

17. Respondent lost the remaining funds HS invested with him by attempting, unsuccessfully, to day trade. Respondent has stated all the funds he invested for HS were

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lost due to his day trading activities.

18. After spending and losing the funds HS invested with him, Respondent ceased communications with HS and has not repaid HS the funds she invested with him.

19. Beginning in February 2024, upon realizing that something was amiss, HS attempted to contact Respondent and asked him to return her funds to her, without success. Respondent failed to provide HS with an account statement, and failed to provide HS with an accounting of the funds she invested with him.

20. HS arranged for a demand letter to be sent on her behalf to Respondent. Button ignored the requests from HS and the demand letter. In April 2024, having received no response from Respondent, HS filed a complaint with the Division.

21. During 2023 and 2024, Respondent received compensation or expected to receive compensation for advising HS as to the value of securities or as to the advisability of investing in, purchasing or selling securities, or for engaging in the business of managing an investment or trading account in securities for another person, HS.

22. During 2023 and 2024, Respondent conducted business as an investment adviser representative, by making recommendations, or otherwise rendering advice regarding securities, to HS; by managing accounts or investment portfolio of HS; or by soliciting, offering or negotiating for the sale or selling investment advisory services to HS.

23. Respondent has never been licensed in Oregon as a state investment adviser or investment adviser representative.

24. The representations Respondent made to HS before she invested, described in paragraph 8 above, were untrue.

25. Before she invested, Respondent failed to adequately disclose the following to HS:

A. Respondent was not wealthy or retired; he had received an unemployment payment in March 2023, just a few months before HS invested her funds with Respondent;

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B. Respondent does not own real property in Montana;

C. Respondent has never been licensed to sell securities or to give investment advice;

D. Respondent had no reasonable basis for representing to HS that HS would receive returns "in the six figures" if she invested her funds with him;

E. The risks of the investment HS made with Respondent; and

F. The actual use of the funds HS invested with Respondent.

Response to the Division's inquiries

26. After HS filed a complaint with the Division, the Division opened an investigation regarding Respondent's business activities and potential violations of the Oregon Securities Law.

27. An investigator for the Division, on behalf of the Director, contacted Respondent by telephone on July 12, 2024, and spoke with Respondent briefly about the investor complaint. After making some statements to the investigator about Respondent's day trading activities and HS, Respondent ended the call, stating he was going to contact an attorney and would call the investigator back in a few days to continue the conversation. Neither Respondent, nor any attorney on Respondent's behalf, returned the investigator's call.

28. The Division investigator issued a subpoena duces tecum dated August 20, 2024 to Respondent, requiring Respondent's appearance on September 4, 2024 as well as production of specified records and information. The records to be produced included copies of bank statements, investment account statements, other financial account statements and records relating to investments Respondents managed for HS, from the month Respondent received HS's funds and while funds were held within each account for day trading, investment, and/or securities-related purposes. The subpoena also required Respondent to provide copies of records reflecting all investment or day trading

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activities performed on behalf of HS and the resulting account balances following each trade, or a ledger reflecting Respondent's trading activity while managing HS's funds, including each trade performed and the resulting account balance after each trade.

29. When Respondent made his appearance, he did not bring the records. Respondent told the investigator Respondent had overlooked the portion of the subpoena describing the records Respondent was required to bring with him to his appearance. Respondent told the investigator Respondent would send the investigator copies of his trading account statements and bank account statements within a week or two.

30. Having received no records from Respondent, the investigator sent a message to Respondent on October 18, 2024. The investigator's message reminded Respondent he had agreed to collect the required records and send them to the investigator by September 20, 2024. The investigator gave the Respondent a due date of October 25, 2024 for a response.

31. On October 25, 2024, Respondent replied to the investigator, stating: "Here are a few. Waiting on some others…." Respondent only provided some investment account statements and some trading records. Respondent did not provide copies of bank account records he was required to produce.

32. Respondent stopped replying to the investigator's follow up emails requesting an update on Respondent's attempts to obtain his bank records.

33. Despite receiving the subpoena duces tecum, and reminders from the ;investigator to produce the required records, Respondent only provided a partial response, which was incomplete and not timely.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

34. The Director has jurisdiction over the business activities of Respondent pursuant to ORS 59.235.

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35. During 2023 and 2024, Respondent transacted business in Oregon as a "state investment adviser" in Oregon, as defined by ORS 59.015(20)(a).

36. During 2023 and 2024, Respondent transacted business in Oregon as a state investment adviser without a license under the Oregon Securities Law, in violation of ORS 59.165(6).

37. During 2023 and 2024, Respondent acted as an "investment adviser representative" in Oregon, as defined by ORS 59.015(8)(a).

38. During 2023 and 2024, Respondent transacted business in Oregon as an investment adviser representative without an investment adviser representative license, in violation of ORS 59.165(4)(c).

39. During 2023 and 2024, Respondent, in connection with the purchase or sale of securities or the conduct of a securities business, made untrue statements of a material fact and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in violation of ORS 59.135(2), by making the untrue statements to HS described in paragraph 8, and by failing to disclose to HS the facts described in paragraph 25, including but not limited to the risks of the investment and the actual use of her funds.

40. During 2023 and 2024, Respondent, in connection with the purchase or sale of securities or the conduct of a securities business, engaged in an act, practice or course of business which operated as a fraud or deceit upon a person, HS, in violation of ORS 59.135(3), by making the untrue statements described in paragraph 8 above, and by failing to adequately disclose to HS the risks of her investment and the actual use of Respondent's funds.

41. During 2024, Respondent failed to promptly and truthfully reply to some of the Director's inquiries, in violation of ORS 59.245(2), by failing to provide the bank statements required by the subpoena.

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42. Because the Director has reason to believe that Respondent has engaged, is engaging, or is about to engage in violations of the Oregon Securities Law, the Director may issue an order to Respondent to cease and desist from the violations of the Oregon Securities Law under ORS 59.245(3).

43. According to ORS 59.995, any person who violates or who procures, aids or abets in the violation of the Oregon Securities Law may be subject to a civil penalty in an amount not to exceed $20,000 per violation, and every violation is a separate offense.

44. Because the Director has reason to believe that Respondent has engaged or is about to engage in violations of the Oregon Securities Law, or that the use of any exemption by Respondent would work as a fraud or imposition on purchasers, the Director may issue an order under ORS 59.045(2) to deny Respondent the use of exemptions to the securities registration requirements.

45. According to ORS 59.995(4), in addition to imposing a civil penalty provided under ORS 59.995, the director may order a person whose acts, omissions, practices, operations or violation of provisions the Oregon Securities Law causes harm to another person to pay restitution to the other person.

46. During 2023 and 2024, Respondent's acts, omissions practices, operations or violations, including but not limited to the Respondent's violations of ORS 59.165(6), ORS 59.165(4)(c), ORS 59.135(2), and ORS 59.135(3) caused harm to a person, HS.

ORDERS

Now therefore, the Director issues the following ORDERS:

47. In accordance with ORS 59.245(3), Respondent is hereby ORDERED to CEASE AND DESIST from violating the following provisions of the Oregon Securities Law: ORS 59.165(6), transacting business in Oregon as a state investment adviser without the required license; violating ORS 59.165(4)(c), transacting business in Oregon as investment adviser representative without the required license, violating ORS 59.135(2),

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making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; ORS 59.135(3), engaging an any act, practice or course of business operating or would be operating as a fraud or deceit upon any person; and ORS 59.245(2), failing to promptly and truthfully respond to the Director's inquiries.

48. As authorized by ORS 59.995(1), the Director orders Respondent to pay CIVIL PENALTIES totaling $70,000 as follows:

A. $10,000 for violating ORS 59.165(4)(c);

B. $10,000 for violating ORS 59.165(6);

C. $20,000 for violating ORS 59.135(2);

D. $20,000 for violating ORS 59.135(3); and

E. $10,000 for violating ORS 59.245(2).

49. As authorized by ORS 59.045(2), the Director DENIES Respondent, and any business entity owned, operated or controlled by Respondent, the use of any exemptions that would otherwise be available under ORS 59.025 and ORS 59.035, concerning securities and transactions exempt from the registration requirements of the Oregon Securities Law.

50. As authorized by ORS 59.995(4), the Director ORDERS Respondent to pay restitution totaling $140,0000 to "HS".

SO ORDERED this 23rd day of September, 2025.

SEAN O'DAY, Interim Director
Department of Consumer and Business Services

/s/ Dorothy Bean

Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

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NOTICE OF RIGHT TO JUDICIAL APPEAL

Judicial review of final orders in contested cases is governed by ORS 183.482. Under ORS 59.295(2), in the absence of a timely demand for a hearing, no person shall be entitled to judicial review of the order. Respondent may request judicial review by filing a petition with the Court of Appeals in Salem, Oregon, within 60 days from the date this order is served.

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