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

In the Matter of: GARY S. HOWARTH and HOWARTH FINANCIAL SERVICES, LLC, Respondents.	Case No. S-18-0008 FINAL ORDER TO CEASE AND DESIST, ORDER REVOKING LICENSES, DENYING USE OF EXEMPTIONS, AND ASSESSING A CIVIL PENALTY, AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("the Director"), conducted an investigation of Gary S. Howarth and Howarth Financial Services, LLC (collectively, "Respondents") and determined that they violated certain provisions of Oregon Revised Statutes ("ORS") chapter 59 and Oregon Administrative Rules ("OAR") chapter 441 (collectively, "the Oregon Securities Law").

Respondents have cooperated with the Director's investigation and wish to settle this matter with the Director.

Now, therefore, as evidenced by the signatures subscribed below, Respondents hereby consent to entry of this Order upon the following Findings of Fact and Conclusions of Law.

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FINDINGS OF FACT

The Director FINDS that:

1. Howarth Financial Services, LLC ("HFS") is an Oregon company with a principal place of business located at 2818 SE 65th Avenue, Portland, OR 97206. HFS has been licensed in Oregon as an investment adviser since 2008. Its Central Registration Depository ("CRD") No. is 132794.

2. Gary S. Howarth ("Howarth"), CRD No. 2067166, is the sole licensed

investment adviser representative associated with HFS. He is also the principal and sole owner of HFS.

3. In September 2017, the Securities and Exchange Commission ("SEC") issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 21C of the Securities Exchange Act of 1934, Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("SEC Order") against Respondents. The SEC Order was issued under File No. 3-18172.

4. According to the SEC Order, Respondents engaged in a "cherry-picking" scheme, wherein Howarth disproportionately allocated profitable trades to his personal accounts and unprofitable or less profitable trades to various HFS client accounts.

5. Respondents engaged in cherry-picking from March 2012 to July 2013. From June 2012 to July 2013, the scheme earned them $38,172, which includes gains and losses avoided.

6. The SEC ordered Respondents to pay a disgorgement of $38,172, a prejudgment interest of $5,272, and a civil penalty of $160,000.

7. Respondents have paid the SEC a civil penalty, as well the disgorgement and prejudgment interest.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

8. By cherry-picking trades as described in the SEC Order and paragraphs 4 and 5 of this Order, Respondents breached their fiduciary duty to act primarily for the benefit of their clients, in violation of OAR 441-205-0145.

9. By cherry-picking trades as described in the SEC Order and in paragraphs 4 and 5 of this Order, Respondents engaged in dishonest, fraudulent or illegal practices or

conduct in any business or profession, or unfair or unethical practices or conduct in connection with the purchase or sale of any security.

10. ORS 59.205(2) authorizes the Director to revoke Respondents' licenses for engaging in dishonest, fraudulent or illegal practices or conduct in any business or profession, or unfair or unethical practices or conduct in connection with the purchase or sale of any security.

11. ORS 59.205(12)(d) authorizes the Director to revoke Respondents' licenses for being the subjects of a currently effective cease-and-desist order by the SEC issued within five years of the date of this Order.

12. ORS 59.045(2) authorizes the Director to deny Respondents the use of any exemptions set forth in ORS 59.025 and 59.035, as the Director has reason to believe that Respondents have engaged in violations of the Oregon Securities Law.

13. ORS 59.995 authorizes the Director to assess civil penalties of up to $20,000 per violation against Respondents for violating 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 is $100,000.

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ORDER

Now therefore, the Director issues the following:

Order to Cease and Desist

14. As authorized by ORS 59.245(4), the Director hereby ORDERS Respondents to CEASE AND DESIST from violating the Oregon Securities law.

15. Respondents agree never to apply for any license under the Oregon Securities Law. Respondents further agree never to be an officer or director of, employed by, or contracted with any individual or entity issued a license under the Oregon Securities Law.

Order Revoking Licenses

16. As authorized by ORS 59.205(2) and 59.205(12)(d), the Director hereby

REVOKES HFS's investment adviser license and Howarth's investment adviser representative license.

Order Denying Use of Exemptions

17. As authorized by ORS 59.045(2), the Director hereby DENIES Respondents, including any affiliated and successor individual or entity, the use of securities and transaction exemptions that would otherwise be available to them under ORS 59.025 and 59.035.

Order Assessing Civil Penalties

18. Pursuant to ORS 59.995, the Director hereby ORDERS Respondents to pay, jointly and severally, a civil penalty of $20,000.

19. Taking into consideration Respondents' payment of a disgorgement, prejudgment interest, and civil penalty to the SEC, the Director suspends the $20,000 civil penalty, provided that Respondents do not violate the Oregon Securities Law or the terms of this Order. If Respondents commit any such violation, the $20,000 civil penalty will become immediately due and owing.

20. The entry of this Order in no way limits further remedies which may be available to the Director under Oregon law.

SO ORDERED this 22nd day of February, 2018.

CAMERON C. SMITH, Director
Department of Consumer and Business Services

/s/ David Tatman
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Gary S. Howarth , state that I have read the foregoing Order and that I know and fully understand the contents hereof. The factual allegations stated herein are true and correct. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. I understand that the Director reserves the right to take further action against me to enforce this Order or to take appropriate action upon discovery that I have committed other violations of the Oregon Securities Law. I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

/s/ Gary S. Howarth
Signature

ENTITY CONSENT TO ENTRY OF ORDER

I, Gary S. Howarth, am an officer of Howarth Financial Services, LLC ("HFS"). I am authorized to act and sign this Order on behalf of HFS. I have read the foregoing Order, and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. HFS voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. HFS understands that the Director reserves the right to take further action to enforce this Order or to take appropriate action upon discovery that HFS has committed other violations of the Oregon Securities Law. HFS, along with its

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officers, directors, employees, or agents, will fully comply with the terms and conditions stated herein.

HFS understands that this Order is a public document.

Signature: */s/ Gary S. Howarth*

Position Held: Owner/Manager

State of Oregon

County of Multnomah

Signed or attested before me on the 15th day of February, 2018.

/s/ Maria Christine Mapes
Notary Public

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