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

In the Matter of: JEREMY W. FORTNER, an Individual, Respondent.	Case No. S-21-0062 FINAL ORDER TO CEASE AND DESIST, FINAL ORDER ASSESSING CIVIL PENALTY, AND FINAL ORDER DENYING THE USE OF EXEMPTIONS, ENTERED BY DEFAULT

On January 6, 2022, the Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), by and through the Division of Financial Regulation ("Division"), served an Order to Cease and Desist, Proposed Order to Assess Civil Penalty, and Proposed Order Denying the Use of Exemptions ("Notice") on Jeremy W. Fortner ("Respondent").

The Notice offered Respondent an opportunity for a hearing if requested within 20 days of service 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 conduct a hearing.

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

FINDINGS OF FACT

The Director FINDS that:

1. Respondent's Central Registration Depository ("CRD") number is 4811478.

2. In 2014, Respondent was hired by Wells Fargo Clearing Services, LLC ("Wells

Fargo")[1] as a financial adviser. Wells Fargo is an Oregon-licensed state investment adviser.

3. On June 23, 2014, pursuant to his employment with Wells Fargo, Respondent was issued an Oregon securities salesperson license.

4. At all relevant times, Respondent held a California investment adviser representative license.

5. Beginning in 2012, Respondent served as financial adviser for consumer "GS." When Respondent began his employment with Wells Fargo, he brought along GS as a client. At the time, Respondent and GS both resided in California.

6. In 2018, GS moved to Oregon and Respondent continued to serve as his financial adviser.

7. In or around September 2018, after GS had moved to Oregon, Respondent solicited a $25,000 personal loan from him. Respondent claimed to need the money to fund a short-term real estate investment.[2]

8. On or around November 22, 2018, Respondent effectuated the loan by selling an unsecured promissory note ("the Note") to GS. Under the terms of the Note, Respondent would pay 12% interest on the principal with all funds becoming due on November 22, 2019. GS was 66 years old at the time of sale.

9. At no time was GS a broker-dealer or affiliate of Wells Fargo.

10. Respondent failed to many any payments to GS in accordance with the Note. Eventually, Respondent stopped responding to GS's communications regarding the Note.

11. In or around August 2021, GS filed a complaint against Respondent with Wells Fargo. GS learned that Wells Fargo was investigating a series of complaints against

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[1] Wells Fargo's CRD number is 19616.

[2] In or around 2017, Respondent had solicited another $25,000 from GS to invest in a speculative medical marijuana business. Wells Fargo had no involvement in this transaction, pursuant to which GS paid $25,000 directly to Respondent. Thereafter, Respondent failed to provide GS with any meaningful information regarding the investment.

Respondent relating to the solicitation of personal loans from clients.

12. On or around September 7, 2021, following an internal investigation, Wells Fargo terminated Respondent's employment. Wells Fargo's stated reason for Respondent's discharge was "borrowed money from multiple firm clients."

13. The termination of Respondent's employment led to the expiration of Respondent's California and Oregon securities licenses.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

14. The Director has jurisdiction over Respondent's business activities, pursuant to Oregon Revised Statutes ("ORS") 59.235.

15. Wells Fargo is a state investment adviser, pursuant to ORS 59.015(20)(a).

16. Respondent is an investment adviser representative for Wells Fargo, pursuant to ORS 59.015(8)(a).

17. By borrowing $25,000 from his client GS, Respondent engaged in unethical business practices, pursuant to Oregon Administrative Rules ("OAR") 441-205-0145(1)(f).

18. 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 violations of the Oregon Securities Law, pursuant to ORS 59.245(4).

19. Because the Director has reason to believe that Respondent has engaged or is about to engage in violations of the Oregon Securities Law, the Director may deny Respondent the use of exemptions, pursuant to ORS 59.045(2).

20. 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 for every violation, pursuant to ORS 59.995(1).

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ORDERS

Now therefore, the Director issues the following ORDERS:

21. As authorized by ORS 59.245(4), the Director hereby ORDERS Respondent to CEASE AND DESIST from violating OAR 441-205-0145(1).

22. As authorized by ORS 59.045(2), the Director hereby DENIES Respondent the use of exemptions that would otherwise be available to him under ORS 59.025 and ORS 59.035, concerning securities and transactions exempt from the registration requirements of the Oregon Securities Law.

23. Based upon the foregoing and as authorized by ORS 59.995(1), the Director hereby ORDERS that Respondent be subject to a CIVIL PENALTY of $20,000 for violating OAR 441-205-0145(1)(f).

SO ORDERED this 15th day of February, 2022.

ANDREW R. STOLFI, 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

You are entitled to judicial review of this order in accordance with ORS 183.482. You 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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