

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

In the Matter of:

JAIME WESTENBARGER,
CRD# 4625703,

Complaint No. 341500

Respondent.

Issued and entered
this 24th day of June, 2020

**CONSENT ORDER RESOLVING
NOTICE AND ORDER TO CEASE AND DESIST**

A. RELEVANT INFORMATION AND STATUTORY PROVISIONS, under the Michigan Uniform Securities Act (2002) (the “Securities Act”), 2008 PA 551, MCL 451.2101 *et seq.*:

1. On March 31, 2020, Administrative Law Specialist Stephen Brey, on behalf of the Corporations, Securities & Commercial Licensing Bureau of the Michigan Department of Licensing and Regulatory Affairs (the “Bureau”), issued a Notice and Order to Cease and Desist (“C&D Order”) against Respondent Jamie Wetenbarger (CRD# 4625703) (“Respondent”), Complaint No. 341500. Respondent was registered as an agent of Securities America, Inc. (CRD# 10205), a Michigan-registered broker-dealer, and as an investment adviser representative associated with Securities America Advisors, Inc. (CRD# 110518) until on or about August 14, 2019 when he was terminated for violation of firm policies regarding borrowing funds from clients. For purposes of this Consent Order Resolving Notice and Order to Cease and Desist (“Consent Order”), Respondent and Bureau staff are referred to individually as a “Party” and collectively as the “Parties.”
2. The C&D Order ordered Respondent to immediately cease and desist from misstating and omitting to state material facts necessary to make other statements made not misleading in connection with the offer or sale of securities, contrary to the Securities Act, and further notified Respondent that the Administrator, under section 604(4) of the Securities Act, MCL 451.2604(4), intended to impose a civil fine of \$40,000.00 against Respondent.

the Administrator reserves the right to take other available legal action to enforce payment of and collect the Civil Fine.

5. Following entry of this Consent Order, the Bureau will file a Form U6 reflecting the Parties' resolution of the C&D Order under this Consent Order. The Bureau will also report and publish this Consent Order according to its current policy, as follows:

This Consent Order is a public record required to be published and made available to the public, consistent with section 11 of the Michigan Freedom of Information Act, MCL 15.241. The Bureau will publish this Consent Order consistent with its current policy, whereby copies of orders issued under the Act are posted to the Bureau's website and a summary of order content is included in monthly disciplinary action reports separately published on the Bureau's website.

6. Notwithstanding the potential application of MCL 451.2412(9), this Consent Order expressly preserves the Bureau's and Administrator's ability to rely on and assert, in any future proceeding under the Act, all activities, conduct, and alleged Act violations by Respondent contained in or relating to the C&D Order.
7. Respondent consents to entry of this Consent Order for the purpose of resolving the C&D Order in an expeditious fashion that avoids the time and expense associated with an administrative proceeding on the Hearing Request and any appeals therefrom. The Parties agree that this Consent Order is automatically admissible in a proceeding to enforce its provisions or in any administrative proceeding under the Securities Act.
8. The Parties agree that this Consent Order resolves only Respondent's activities, conduct, and alleged Securities Act violations contained in the C&D Order, but it does not address or resolve any other activities, conduct, or potential Securities Act violations engaged in by Respondent not expressly contained in the C&D Order or occurring after the date this Consent Order is entered.
9. Respondent agrees that, effective upon entry of this Consent Order, the Hearing Request is automatically revoked without further action by the Parties.
10. Respondent agrees to cooperate with the Bureau and comply with any reasonable investigative demands made by the Bureau in the future for purposes of ensuring compliance with this Consent Order or the Securities Act.

11. Respondent acknowledges and agrees that: (a) the Administrator has jurisdiction and authority to enter this Consent Order; (b) the Administrator may enter this Consent Order without any further notice to Respondent; and (c) upon entry of this Consent Order, it is final and binding, and Respondent waives any right to a hearing or appeal of this Consent Order and the C&D Order under the Securities Act, the rules promulgated under the Securities Act or the predecessor Act, the Michigan Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 *et seq.*, or other applicable law.
12. The Parties understand and agree that this Consent Order will be presented to the Administrator for her final approval as evidenced by its entry, and that the Administrator may, in her sole discretion, decide to accept or reject this Consent Order. If the Administrator accepts this Consent Order by entering it, this Consent Order becomes fully effective and binding in accordance with Paragraph B.11 above. If the Administrator rejects this Consent Order by refusing to enter it, the Parties waive any objection to submitting the Hearing Request for adjudication through a formal administrative proceeding and the Administrator remaining the final decisionmaker at the conclusion of that proceeding.
13. The Parties acknowledge and agree that this Consent Order contains the entire understanding of the Parties and supersedes and forever terminates all prior and contemporaneous representations, promises, agreements, understandings, and negotiations, whether oral or written, with respect to its subject matter. The Parties further agree that this Consent Order may only be amended, modified, or supplemented by a duly executed writing signed by each party and approved by Order of the Administrator.
14. The Parties acknowledge and represent that: (a) each Party has read this Consent Order in its entirety and fully understands all of its terms, conditions, ramifications, and consequences; (b) each Party unconditionally consents to the terms of this Consent Order; (c) each Party has consulted with or had ample opportunity to consult with legal counsel of his, her, or its choosing prior to executing this Consent Order; (d) each Party has freely and voluntarily signed this Consent Order; and (e) the consideration received by each Party as described in this Consent Order is adequate.
15. The Parties acknowledge and agree that the Administrator retains the right to pursue any action or proceeding permitted by law to enforce the provisions of this Consent Order.
16. The signatories to this Consent Order below represent and warrant that they have the legal capacity and authority to enter into this Consent Order on behalf of the named Parties and to bind the named Parties to the terms and conditions contained herein.

17. The Parties agree that facsimile or electronically transmitted signatures may be submitted in connection with this Consent Order and are binding on that Party to the same extent as an original signature.

Through their signatures, the Parties agree to the above terms and conditions.

Signed: _____
Jamie Westenbarger, Respondent

Dated: _____

Approved by:

Signed: Timothy L. Teague
Timothy L. Teague
Securities & Audit Division Director
Corporations, Securities & Commercial
Licensing Bureau

Dated: 6/16/20

C. ORDER

The Administrator NOW, THEREFORE, ORDERS:

THE TERMS AND CONDITIONS IN THE FOREGOING FULLY EXECUTED
CONSENT AGREEMENT ARE INCORPORATED BY REFERENCE AND MADE
BINDING AND EFFECTIVE THROUGH THIS CONSENT ORDER.

By: Linda Clegg
Linda Clegg, Administrator and
Interim Director, Corporations, Securities &
Commercial Licensing Bureau

Date: 06/16/2020

**STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

In the matter of:

Agency No. 341500

JAIME WESTENBARGER
CRD# 4625703

Respondent.
_____ /

Issued and entered
This 31st day of March, 2020

NOTICE AND ORDER TO CEASE AND DESIST

The Corporations, Securities & Commercial Licensing Bureau (“Administrator”), pursuant to its statutory authority and responsibility to administer and enforce the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* (“Securities Act”), hereby orders Jaime Westenbarger (“Respondent”) to cease and desist from making untrue statements of material facts or omitting to state material facts necessary to make other statements made not misleading in connection with the offer or sale of securities, contrary to the Securities Act. Respondent is notified of the opportunity to request a hearing in this matter.

I. BACKGROUND

A. The Respondent

1. Jaime Westenbarger (CRD#4625703, “Respondent”) was registered as an agent of Securities America, Inc. (CRD#10205), a Michigan-registered broker-dealer, and as an investment adviser representative associated with Securities America Advisors, Inc. (CRD#110518) until on or around August 14, 2019 when he was terminated for violation of firm policies regarding borrowing funds from clients.

B. Findings of Fact

1. The Administrator’s staff conducted an investigation of Respondent’s activities after learning of Respondent’s conduct in the securities industry.

2. The investigation developed evidence that Respondent, while he was still registered as an agent and an investment adviser representative, offered Michigan investors RM and SM an investment in a “corporate note” for \$200,000 and that he accepted a check from RM and SM in that amount to be invested in the corporate note. Rather than investing the funds as represented, Respondent used the funds to pay for personal expenses.
3. The investigation developed evidence that Respondent, while he was still registered as an agent and an investment adviser representative, offered a “short term CD” investment to Michigan investor AW as power of attorney for LW for \$60,000, and that he accepted a check from AW in that amount to be invested in the short term CD. Rather than investing the funds as represented, Respondent used the funds to pay for personal expenses.
4. A reasonable investor might consider it important to his or her investment decision to know that the funds they provide to a trusted, licensed financial professional to be invested in an allegedly legitimate security such as a corporate note or a short term CD are actually going to go towards paying personal expenses of that licensed professional.

II. RELEVANT STATUTORY PROVISIONS

1. Section 501 of the Securities Act, MCL 451.2501, states in part:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security or the organization or operation of a Michigan investment market under article 4A, to directly or indirectly do any of the following:

(b) Make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading...

III. CONCLUSIONS OF LAW

1. Respondent Jaime Westenbarger, in connection with the offer or sale of securities, misstated a material fact in connection with the offer or sale of a security when he represented that he would invest RM and SM’s funds in a corporate note, but instead used the funds to pay for personal expenses, contrary to section 501 of the Securities Act, MCL 451.2501.
2. Respondent Jaime Westenbarger, in connection with the offer or sale of securities, misstated a material fact in connection with the offer or sale of a security when he

represented to AW as power of attorney for LW that he would invest LW's funds in a certificate of deposit, but instead used the funds to pay for personal expenses, contrary to section 501 of the Securities Act, MCL 451.2501

IV. ORDER

IT IS THEREFORE ORDERED, pursuant to section 604 of the Securities Act, MCL 451.2604, that:

- A. Respondent shall immediately CEASE AND DESIST from misstating or omitting to state material facts necessary to make other statements made not misleading in connection with the offer or sale of securities, contrary to the Securities Act.
- B. Pursuant to section 604(2) of the Securities Act, this Notice and Order to Cease and Desist is IMMEDIATELY EFFECTIVE.
- C. In a Final Order, the Administrator, under section 604(4) of the Securities Act, MCL 451.2604(4), intends to impose a civil fine of \$40,000.00 against Respondent. This Notice and Order to Cease and Desist may become final pursuant to Section VI, below.
- D. Pursuant to section 508 of the Securities Act, MCL 451.2508, a person that willfully violates the Securities Act, or an order issued under the Securities Act, is guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than \$500,000.00 for each violation, or both. An individual convicted of violating a rule or order under this act may be fined, but shall not be imprisoned, if the individual did not have knowledge of the rule or order.

V. NOTICE OF OPPORTUNITY FOR HEARING

Section 604 of the Securities Act, MCL 451.2604, provides that Respondent has 30 days beginning with the first day after the date of service of this Notice and Order to Cease and Desist to submit a written request to the Administrator asking that this matter be scheduled for a hearing. If the Administrator receives a written request in a timely manner, the Administrator shall schedule a hearing within 15 days after receipt of the request. The written request for a hearing must be addressed to:

Corporations, Securities & Commercial Licensing Bureau
Regulatory Compliance Division
P.O. Box 30018
Lansing, MI 48909

Notice & Order to Cease & Desist
Jaime Westenbarger (CN 341500)
CRD#4625703

VI. ORDER FINAL ABSENT HEARING REQUEST

- A. Under section 604 of the Securities Act, MCL 451.2604, the Respondent's failure to submit a written request for a hearing to the Administrator within 30 days after the service date of this **NOTICE AND ORDER TO CEASE AND DESIST** shall result in this order becoming a **FINAL ORDER** by operation of law. The **FINAL ORDER** includes the imposition of the fines cited described in section IV.C., and the fine amounts set forth below will become due and payable to the Administrator within sixty (60) days after the date this order becomes final:

\$40,000.00 – Jaime Westenbarger, under section 604 of the Securities Act, MCL 451.2604.

- B. CIVIL FINE payments should be payable to the STATE OF MICHIGAN and contain identifying information (e.g., names and complaint numbers) and mailed to the following address:

Corporations, Securities & Commercial Licensing Bureau
Final Order Monitoring
P.O. Box 30018
Lansing, MI 48909

- C. Failure to comply with the terms of this Order within the time frames specified may result in additional administrative penalties, including the summary suspension or continued suspension of all registrations held by Respondent under the Securities Act, the denial of any registration renewal, and/or the denial of any future applications for registration, until full compliance is made. Respondent may voluntarily surrender or withdraw a registration under the Securities Act; however, the surrender or withdrawal will not negate the summary suspension or continued suspension of the relevant registrations or any additional administrative proceedings if a violation of this Order or the Securities Act occurred.
- D. Failure to pay the civil fines within six (6) months after this Order becomes final may result in the referral of the civil fines to the Michigan Department of Treasury for collection action against Respondents.

DEPARTMENT OF LICENSING & REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU



Stephen Brey, Administrative Law Specialist
On behalf of the Corporations, Securities
& Commercial Licensing Bureau

3/31/2020
Date

Notice & Order to Cease & Desist
Jaime Westenbarger (CN 341500)
CRD#4625703