



## IAPD Report

# DOUGLAS SAKSA

CRD# 1778685

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## IAPD Information About Representatives

IAPD offers information on all current-and many former representatives. Investors are strongly encouraged to use IAPD to check the background of representatives before deciding to conduct, or continue to conduct, business with them.

### What is included in a IAPD report?

IAPD reports for individual representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.

It is important to note that the information contained in an IAPD report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

### Where did this information come from?

The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD, (see more on CRD below) and is a combination of:

- information the states require representatives and firms to submit as part of the registration and licensing process, and
- information that state regulators report regarding disciplinary actions or allegations against representatives.

### How current is this information?

Generally, representatives are required to update their professional and disciplinary information in IARD within 30 days.

### Need help interpreting this report?

For help understanding how to read this report, please consult NASAA's IAPD Tips page <http://www.nasaa.org/IAPD/IARReports.cfm>

### What if I want to check the background of an Individual Broker or Brokerage Firm?

To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.

### Are there other resources I can use to check the background of investment professionals?

It is recommended that you learn as much as possible about an individual representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association <http://www.nasaa.org>



## Report Summary

### DOUGLAS SAKSA (CRD# 1778685)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **06/17/2011**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	PEGASUS INVESTMENT MANAGEMENT LLC	CRD# 114079	10/02/2000

### QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **1** jurisdiction(s).

Is this representative currently Inactive or Suspended with any regulator? **No**

**Note:** Not all jurisdictions require IAR registration or may have an exemption from registration. Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

### REGISTRATION HISTORY

This representative was previously registered with the following firm(s):

FIRM	CRD#	LOCATION	REGISTRATION DATES
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No information reported.

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

### DISCLOSURE INFORMATION

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

Are there events disclosed about this representative? **Yes**

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1



## Qualifications

### REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works. This individual is currently registered with **1** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

#### Employment 1 of 1

Firm Name: **PEGASUS INVESTMENT MANAGEMENT LLC**  
Main Address: BAINBRIDGE ISLAND, WA  
Firm ID#: 114079

Regulator	Registration	Status	Date
<b>IA</b> Washington	Investment Adviser Representative	Approved	10/02/2000

#### Branch Office Locations

**PEGASUS INVESTMENT MANAGEMENT LLC**  
BAINBRIDGE ISLAND, WA



## Qualifications

### PASSED INDUSTRY EXAMS

This section includes all industry exams that the representative has passed. Under limited circumstances, a representative may attain registration after receiving an exam waiver based on a combination of exams the representative has passed and qualifying work experience. Likewise a new exam requirement may be grandfathered based on a representative's specific qualifying work experience. Exam waivers and grandfathering are not included below.

**This individual has passed 0 principal/supervisory exams, 0 general industry/product exams, and 1 state securities law exam.**

#### Principal/Supervisory Exams

Exam	Category	Date
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No information reported.

#### General Industry/Product Exams

Exam	Category	Date
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No information reported.

#### State Securities Law Exams

Exam	Category	Date
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<b>IA</b> Uniform Investment Adviser Law Examination (S65)	Series 65	07/07/1992
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### PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **1** professional designation(s).

#### Chartered Financial Analyst

This representative holds or did hold **1** professional designation(s) that may have been used to qualify as an Investment Advisor representative. Please check with the appropriate designation authority for verification that the designation is still in effect. The contact information for these professional designation authorities can be found on the website for the North American Securities Administrators Association at <http://www.nasaa.org>



## Registration & Employment History

### PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

No information reported.

### EMPLOYMENT HISTORY

Below is the representative's employment history for up to the last 10 years.

Employment Dates	Employer Name	Position	Investment Related	Employer Location
07/1992 - Present	PEGASUS INVESTMENT MGMT	GENERAL PARTNER/PRESIDENT	Y	BAINBRIDGE ISLAND, WA, United States
07/1991 - Present	PEGASUS INVESTMENT	GENERAL PARTNER/PRESIDENT	Y	BAINBRIDGE ISLAND, WA, United States

### OTHER BUSINESS ACTIVITIES

This section includes information, if any, as provided by the representative regarding other business activities the representative is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious, or fraternal and is recognized as tax exempt.

No information reported.



## Disclosure Summary

### Disclosure Information

#### What you should know about reported disclosure events:

##### (1) Certain thresholds must be met before an event is reported to IARD, for example:

- A law enforcement agency must file formal charges before an Investment Adviser Representative is required to report a particular criminal event.;
- A customer dispute must involve allegations that an Investment Adviser Representative engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.

##### (2) Disclosure events in IAPD reports come from different sources:

As mentioned in the "About IAPD" section on page 1 of this report, information contained in IAPD comes from Investment Adviser Representatives, firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the IAPD report. The different versions will be separated by a solid line with the reporting source labeled.

##### (3) There are different statuses and dispositions for disclosure events:

- A disclosure event may have a status of *pending*, *on appeal*, or *final*.
  - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
  - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
  - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
  - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
  - A "settled" matter generally represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
  - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

##### (4) You may wish to contact the Investment Adviser Representatives to obtain further information regarding any of the disclosure events contained in this IAPD report.



## DISCLOSURE EVENT DETAILS

When evaluating this information, please keep in mind that some items may involve pending actions or allegations that may be contested and have not been resolved or proven. The event may, in the end, be withdrawn, dismissed, resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to the Investment Adviser Registration Depository. Some of the specific data fields contained in the report may be blank if the information was not provided.

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1

### Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative's authority to act as an attorney, accountant or federal contractor.

#### Disclosure 1 of 1

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Sanction(s) Sought:** Cease and Desist

**Date Initiated:** 06/15/2011

**Docket/Case Number:** 3-14425

**Employing firm when activity occurred which led to the regulatory action:** PEGASUS INVESTMENT MANAGEMENT, LLC

**Product Type:** Other: HEDGE FUND

**Allegations:** SEC ADMIN IA RELEASE 3215, JUNE 15, 2011: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE INSTITUTED PURSUANT TO SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AGAINST DOUGLAS WAYNE SAKSA ("SAKSA" OR "RESPONDENT").

THE COMMISSION FOUND THAT:

SAKSA IS THE PRESIDENT AND CHIEF COMPLIANCE OFFICER OF AN INVESTMENT ADVISOR REGISTERED WITH THE COMMISSION. SAKSA OWNED 70% OF THE FIRM AT THE TIME OF THE CONDUCT AND HAD SUPERVISORY RESPONSIBILITY OVER HIS FIRM'S VICE PRESIDENT.

SAKSA'S FIRM, A HEDGE FUND MANAGER, RECEIVED UNDISCLOSED CASH PAYMENTS FOR ENABLING A PROPRIETARY TRADING FIRM TO COMBINE HIS FIRM'S FUTURES TRADES WITH ITS OWN FOR ALL FUTURES TRADES



PLACED THROUGH A COMMON BROKER. BY COMBINING SAKSA'S FIRM'S TRADING VOLUME WITH ITS OWN, THE TRADING FIRM WAS ABLE TO OBTAIN REDUCED COMMISSION RATES FOR ITSELF FROM THE BROKER - A CONCESSION THAT THE FIRM REWARDED THROUGH UNDISCLOSED CASH PAYMENTS TO SAKSA'S FIRM. UNDER THE ARRANGEMENT, AND OVER THE COURSE OF ABOUT TEN MONTHS, SAKSA'S FIRM RECEIVED A TOTAL OF \$90,000. THE PAYMENTS STOPPED ONCE THE COMMISSION'S INVESTMENT ADVISER/INVESTMENT COMPANY EXAMINATION STAFF BEGAN ASKING QUESTIONS ABOUT THE PAYMENTS.

THE FIRM'S VICE PRESIDENT AND CO-OWNER, UNDER SAKSA'S SUPERVISION, DID NOT DISCLOSE THE ARRANGEMENT TO FUND INVESTORS, AND RETAINED THE MONEY FOR HIS FIRM RATHER THAN PASSING IT ALONG TO THE INVESTORS. SAKSA'S FIRM IMPROPERLY TREATED THE UNDISCLOSED PAYMENTS AS ITS OWN ASSET RATHER THAN AN ASSET OF THE FUNDS IT MANAGED.

SAKSA FAILED TO REASONABLY SUPERVISE THE VICE PRESIDENT WITHIN THE MEANING OF SECTION 203(E)(6) OF THE ADVISERS ACT WITH A VIEW TO PREVENTING AND DETECTING THE VICE PRESIDENT'S VIOLATIONS OF SECTION 206(2) OF THE ADVISERS ACT.

<b>Current Status:</b>	Final
<b>Resolution:</b>	Order
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	06/15/2011
<b>Sanctions Ordered:</b>	Censure Civil and Administrative Penalty(ies)/Fine(s)
<b>If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?</b>	Yes
<b>(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?</b>	No



**(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or**

No

**(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?**

Yes

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$25,000.00

**Portion Levied against individual:** \$25,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:**

**Was any portion of penalty waived?** No

**Amount Waived:**

**Regulator Statement**

IN ANTICIPATION OF THE INSTITUTION OF THE PROCEEDINGS, RESPONDENT SUBMITTED AN OFFER OF SETTLEMENT ("OFFERS"), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION



OVER HIM AND THE SUBJECT MATTER OF THE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTED TO THE ENTRY OF THE ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 203(E), 203(F), AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND CEASE-AND-DESIST ORDERS ("ORDER").

THE COMMISSION FOUND THAT SAKSA FAILED TO REASONABLY SUPERVISE WITHIN THE MEANING OF SECTION 203(E)(6) OF THE ADVISERS ACT WITH A VIEW TO PREVENTING AND DETECTING VIOLATIONS OF SECTION 206(2).

THE COMMISSION DEEMS IT APPROPRIATE TO IMPOSE THE SANCTIONS AGREED TO IN RESPONDENT SAKSA'S OFFER.

PURSUANT TO SECTIONS 203(E), 203(F), AND 203(K) OF THE ADVISERS ACT, THE COMMISSION ORDERED THAT:

A. RESPONDENT SAKSA IS CENSURED.

B. RESPONDENT SAKSA PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$25,000 TO THE UNITED STATES TREASURY.



## End of Report

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