



IAPD Report

MARTY EDWARD PAUL

CRD# 2540039

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.



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

MARTY EDWARD PAUL (CRD# 2540039)

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 **07/21/2025**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	SOWELL MANAGEMENT	CRD# 127145	12/08/2016
IA	LIGHTHOUSE WEALTH STRATEGIES, LLC	CRD# 299334	02/21/2019

QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **7** 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
IA	CONCERT WEALTH MANAGEMENT	141253	Gig Harbor, WA	02/18/2016 - 01/03/2017
IA	LIGHTHOUSE WEALTH STRATEGIES	285094	GIG HARBOR, WA	10/12/2016 - 10/17/2016
IA	NORTHWEST ASSET MANAGEMENT	147923	GIG HARBOR, WA	03/25/2011 - 07/01/2014

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	2
Termination	2



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 **7** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

Employment 1 of 2

Firm Name: **LIGHTHOUSE WEALTH STRATEGIES, LLC**

Main Address: 3312 ROSEDALE ST
SUITE 201
GIG HARBOR, WA 98335

Firm ID#: 299334

Regulator	Registration	Status	Date
IA Arizona	Investment Adviser Representative	Approved	11/21/2024
IA California	Investment Adviser Representative	Approved	10/09/2024
IA Colorado	Investment Adviser Representative	Approved	11/26/2024
IA Idaho	Investment Adviser Representative	Approved	10/16/2024
IA Montana	Investment Adviser Representative	Approved	06/30/2025
IA Texas	Investment Adviser Representative	Restricted Approval	12/08/2023
IA Washington	Investment Adviser Representative	Approved	02/21/2019

Branch Office Locations

LIGHTHOUSE WEALTH STRATEGIES, LLC

3312 ROSEDALE ST
SUITE 201
GIG HARBOR, WA 98335

Employment 2 of 2

Firm Name: **SOWELL MANAGEMENT**

Main Address: 5320 NORTHSORE DRIVE
NORTH LITTLE ROCK, AR 72118

Firm ID#: 127145



Qualifications

Regulator	Registration	Status	Date
IA Washington	Investment Adviser Representative	Approved	12/08/2016

Branch Office Locations

SOWELL MANAGEMENT

3312 Rosedale Street NW
Suite 201
Gig Harbor, WA 98335



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 1 principal/supervisory exam, 1 general industry/product exam, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
 General Securities Sales Supervisor Examination (Options Module & General Module) (S8)	Series 8	09/22/1997

General Industry/Product Exams

Exam	Category	Date
 General Securities Representative Examination (S7)	Series 7	10/05/1994

State Securities Law Exams

Exam	Category	Date
 Uniform Investment Adviser Law Examination (S65)	Series 65	11/10/1994
 Uniform Securities Agent State Law Examination (S63)	Series 63	10/12/1994

PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration & Employment History

PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
IA	02/18/2016 - 01/03/2017	CONCERT WEALTH MANAGEMENT	CRD# 141253	Gig Harbor, WA
IA	10/12/2016 - 10/17/2016	LIGHTHOUSE WEALTH STRATEGIES	CRD# 285094	GIG HARBOR, WA
IA	03/25/2011 - 07/01/2014	NORTHWEST ASSET MANAGEMENT	CRD# 147923	GIG HARBOR, WA
IA	03/27/2000 - 03/28/2011	RBC CAPITAL MARKETS, LLC	CRD# 31194	GIG HARBOR, WA
B	03/02/1998 - 03/28/2011	RBC CAPITAL MARKETS, LLC	CRD# 31194	GIG HARBOR, WA
B	11/22/1994 - 03/02/1998	DAIN RAUSCHER INCORPORATED	CRD# 7600	

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
02/2019 - Present	Lighthouse Wealth Strategies	Investment Advisor	Y	Gig Harbor, WA, United States
10/2016 - Present	Sowell Financial Services, LLC	Investment Advisor Representative	Y	North Little Rock, AR, United States
02/2016 - 01/2017	CONCERT WEALTH MANAGEMENT, INC.	INVESTMENT ADVISOR REPRESENTATIVE	Y	SAN JOSE, CA, United States
06/2014 - 01/2017	Concert Advisor Services, Inc.	Managing Director	Y	Gig Harbor, 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.

Mr. Martin Edward Paul is dual registered with Sowell Management Services. In this role Mr. Paul provides financial services including the transacting of a multitude of financial products for clients. He spends approximately 40 hours a week in this endeavor. Mr. Paul is also owner of multiple rental properties: 1) Hunt Tower, LLC., January 21, 2013, 6563 MacDonald Ave. N.W., Gig Harbor, WA 98335; Alternate address: 8116 State Route 302 NW, Gig Harbor, WA 98335; Hunt Tower owns one



Registration & Employment History

OTHER BUSINESS ACTIVITIES

apartment building and rents apartments for residential and executive suite use. This is investment-related; Member (owns 37.5% of LLC's Units). He does not have required duties; He reviews apartment operations provided by the property manager and he reviews financial documents. <2hrs/mth, <1hr/mth during trading. 2) MP 4, Inc.; October 10, 2003; 3220 Rosedale Street, Suite 101, Gig Harbor, WA 98335; MP 4, Inc. owns three office buildings, and leases space to third parties. It is investment related. Officer: Vice President, Secretary, Director. 50% Shareholder. Duties include negotiating and reviewing leases, reviewing financial documents, and intermittent corporate governance. <2hrs/mth, <1hr/mth during trading. 3) MP 8, Inc., October 2004.; 7218 Pioneer Way, Gig Harbor, WA 98335; MP 8, Inc. owns a piece of improved residential property. 4) MP 10, Inc.; November 22, 2004; 3220 Rosedale St, Ste 101 Gig Harbor, WA 98335; MP 10, Inc. owns an office building and leases space to third parties. It is investment related. Officer: President, Secretary, Treasurer. Chairman of the Board of Directors. 75% Shareholder. Duties include negotiating and reviewing leases, reviewing financial documents, and intermittent corporate governance. <2hrs/mth, <1hr/mth during trading. 5) MP 12, Inc. November 21, 2005; 5923 38th Ave NW, Gig Harbor, WA 98335; MP 12, Inc. owns unimproved real property. This is investment-related; Officer: President, Vice President, Secretary, Treasurer. Chairman of the Board of Directors. 50% Shareholder. Registered Agent. My duties are limited to intermittent corporate governance. <2hrs/mth, <1hr/mth during trading. 6) 111 Rest Haven, 100% owner, Vacation rental property cabin, since Dec 2019, Packwood WA, 3 hours per month, no hours during trading hours, Compensation: rent, not investment related. 7) 112 Rest Haven, 100% owner, Vacation rental property cabin, since 2022, Packwood WA, 3 hours a month not during business hours, not investment related. 8) Marty and Stacy Paul 7218 Pioneer Way, Gig Harbor, WA 98335. March 2020. Raw Land. No hours, no compensation. 9) 5 Via Monarca, Dana Point, CA 100% owner, Vacation Rental Property, 2 hours per month, no hours during trading, Compensation: rent, not investment related. 10) 7133 Grandview, WA 100% owner, Rental Property, 2 hours per month, no hours during trading, Compensation: rent, not investment related. 11) 1600 43rd. Avenue E, Seattle WA 98112, owner, Rental Property, 2 hours per month, no hours during trading, Compensation: rent, not investment related. 12) 4400 Makenna Road, Leehei, HI 96753, owner, Rental Property, 2 hours a month, no hours during trading, Compensation: rent, not investment related. 13) YMCA, Fundraiser, not investment related, Gig Harbor WA, 2 hours a month not during trading hours, no compensation.



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	2
Termination	2

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 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	WASHINGTON
Sanction(s) Sought:	Cease and Desist Civil and Administrative Penalty(ies)/Fine(s) Monetary Penalty other than Fines Revocation
Date Initiated:	01/13/2014
Docket/Case Number:	S-13-1144-13-SC01 S-13-1144-13-CO01
URL for Regulatory Action:	
Employing firm when activity occurred which led to the regulatory action:	
Product Type:	No Product
Allegations:	S-13-1144-13-SC01 ON JANUARY 13, 2014, THE SECURITIES DIVISION ENTERED A STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST, REVOKE REGISTRATION, DENY FUTURE REGISTRATION APPLICATIONS, IMPOSE A FINE, AND CHARGE COSTS (STATEMENT OF CHARGES) AGAINST MARTY EDWARD PAUL, AKA MARTIN PAUL (PAUL). THE STATEMENT OF CHARGES ALLEGES THAT PAUL BORROWED \$6.5 MILLION FROM A CLIENT, PROVIDED FALSE INFORMATION TO HIS FIRM ABOUT THE LOAN, PROVIDED FALSE INFORMATION TO HIS FIRM ABOUT HIS OUTSIDE BUSINESS ACTIVITIES, INTRODUCED CLIENTS TO INVESTMENTS AWAY FROM HIS FIRM, AND PROVIDED FALSE INFORMATION TO THE FIRM ABOUT HIS OUTSIDE INVESTMENTS. THE



STATEMENT OF CHARGES ALLEGES THAT PAUL WAS TERMINATED BY HIS FIRM FOR BORROWING THE MONEY FROM HIS CLIENT, AND THAT HE WAS SANCTIONED BY FINRA FOR BORROWING THE MONEY FROM HIS CLIENT AND PROVIDING INACCURATE INFORMATION TO HIS FIRM ABOUT THE LOAN AND HIS OUTSIDE BUSINESS ACTIVITIES. FURTHER, THE STATEMENT OF CHARGES ALLEGES THAT PAUL MISREPRESENTED HIS TERMINATION AND REGULATORY HISTORY TO THE SECURITIES DIVISION. THE SECURITIES DIVISION INTENDS TO ORDER PAUL TO CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF WASHINGTON, TO REVOKE PAUL'S INVESTMENT ADVISER REPRESENTATIVE REGISTRATION, TO DENY FUTURE SECURITIES REGISTRATION APPLICATIONS, IMPOSE A FINE, AND CHARGE COSTS. THE RESPONDENT HAS THE RIGHT TO REQUEST A HEARING ON THE STATEMENT OF CHARGES.

Current Status:	Final
Resolution:	Consent
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Resolution Date:	10/17/2014
Sanctions Ordered:	Bar (Temporary/Time Limited) Cease and Desist Civil and Administrative Penalty(ies)/Fine(s) Monetary Penalty other than Fines
Sanction 1 of 1	
Sanction Type:	Bar (Temporary/Time Limited)
Capacities Affected:	INVESTMENT ADVISER REPRESENTATIVE, BROKER-DEALER SALESPERSON
Duration:	18 MONTHS
Start Date:	08/01/2014
End Date:	01/31/2016
Monetary Sanction 1 of 2	
Monetary Related Sanction:	Monetary Penalty other than Fines
Total Amount:	\$4,500.00
Portion Levied against individual:	\$4,500.00
Payment Plan:	NO
Is Payment Plan Current:	Yes
Date Paid by individual:	10/23/2014
Was any portion of penalty waived?	No
Amount Waived:	
Monetary Sanction 2 of 2	
Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)



Total Amount: \$20,000.00

Portion Levied against individual: \$20,000.00

Payment Plan: NO

Is Payment Plan Current:

Date Paid by individual: 10/23/2014

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement S-13-1144-13-CO01

ON OCTOBER 17, 2014, THE SECURITIES DIVISION ENTERED INTO A CONSENT ORDER WITH MARTY EDWARD PAUL, AKA MARTIN PAUL (PAUL). THE SECURITIES DIVISION HAD PREVIOUSLY ENTERED A STATEMENT OF CHARGES AGAINST PAUL ON JANUARY 13, 2014. THE SECURITIES DIVISION ALLEGED THAT PAUL ENGAGED IN DISHONEST OR UNETHICAL BUSINESS PRACTICES WHEN PAUL BORROWED \$6.5 MILLION FROM A CLIENT, INTRODUCED CLIENTS TO INVESTMENTS AWAY FROM THE FIRM, ENGAGED IN OUTSIDE BUSINESS ACTIVITIES WITHOUT PRE-APPROVAL FROM THE FIRM, AND PROVIDED INACCURATE INFORMATION TO THE FIRM. THE DIVISION ALSO ALLEGED THAT PAUL MISREPRESENTED HIS TERMINATION AND REGULATORY HISTORY TO THE SECURITIES DIVISION. WITHOUT ADMITTING OR DENYING THE DIVISION'S ALLEGATIONS, PAUL AGREED TO CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF WASHINGTON, TO PAY AN ADMINISTRATIVE FINE OF \$20,000, AND TO PAY INVESTIGATIVE COSTS OF \$4,500. FURTHER, PAUL AGREED TO AN 18 MONTH PROHIBITION FROM REGISTRATION AS AN INVESTMENT ADVISER REPRESENTATIVE OR BROKER-DEALER SALESPERSON. PAUL WAIVED HIS RIGHT TO A HEARING AND JUDICIAL REVIEW OF THIS MATTER.

HOLLY MACK-KRETZLER 360-902-8773.

Reporting Source: Individual

Regulatory Action Initiated By: Washington Department of Financial Institutions

Sanction(s) Sought:
Bar
Cease and Desist
Civil and Administrative Penalty(ies)/Fine(s)
Monetary Penalty other than Fines
Revocation

Date Initiated: 01/13/2014

Docket/Case Number: S-13-1144-14-CO01

Employing firm when activity occurred which led to the regulatory action: RBC CAPITAL MARKETS, LLC AND NORTHWEST ASSET MANAGEMENT, LLC.

Product Type: No Product



Allegations:	Borrowed \$6,500,000 from a client, made or caused to be made materially false or misleading statements on Form U4s; failed to update U4s; and effected transactions in securities not recorded on broker-dealer's books.
Current Status:	Final
Resolution:	Consent
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Resolution Date:	10/20/2014
Sanctions Ordered:	Bar (Temporary/Time Limited) Cease and Desist Civil and Administrative Penalty(ies)/Fine(s) Monetary Penalty other than Fines
Sanction 1 of 1	
Sanction Type:	Bar (Temporary/Time Limited)
Capacities Affected:	Investment Adviser Representative or broker-dealer salesperson.
Duration:	18 months
Start Date:	08/01/2014
End Date:	01/31/2016
Monetary Sanction 1 of 2	
Monetary Related Sanction:	Monetary Penalty other than Fines
Total Amount:	\$4,500.00
Portion Levied against individual:	\$4,500.00
Payment Plan:	No.
Is Payment Plan Current:	
Date Paid by individual:	10/20/2014
Was any portion of penalty waived?	No
Amount Waived:	
Monetary Sanction 2 of 2	
Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	\$20,000.00
Portion Levied against individual:	\$20,000.00
Payment Plan:	No.
Is Payment Plan Current:	
Date Paid by individual:	10/20/2014



Was any portion of penalty waived? No

Amount Waived:

Broker Statement During the time I was registered with Northwest Asset Management (NWAM), NWAM filed all U4s. NWAM did not ask me to review any U4 or amendment and typed my name without my authorization. In at least one circumstance, NWAM admitted that it did not amend the U4 because NWAM thought an amendment was not required.

Disclosure 2 of 2

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Other: N/A

Date Initiated: 04/20/2012

Docket/Case Number: [2010024106101](#)

Employing firm when activity occurred which led to the regulatory action: RBC CAPITAL MARKETS, INC.

Product Type: No Product

Allegations: FINRA RULE 2010, NASD RULES 2110, 2370, 3030 - MARTY E. PAUL ENGAGED IN OUTSIDE BUSINESS ACTIVITIES WITHOUT PROVIDING PROMPT WRITTEN NOTICE TO HIS MEMBER FIRM; PAUL OWNED AND OPERATED REAL ESTATE DEVELOPMENT COMPANIES WHICH HE DID NOT DISCLOSE TO HIS FIRM. PAUL PROVIDED INACCURATE INFORMATION TO HIS FIRM WHEN HE DISCLOSED HIS OUTSIDE BUSINESS ACTIVITIES. HE WROTE HE WAS A PASSIVE OWNER OF ONE COMPANY WHEN HE WAS ACTUALLY AN ACTIVE OWNER. HE WROTE HE WAS A PASSIVE 50% OWNER OF ANOTHER FIRM WHEN HE ACTUALLY OWNED 100% AND WAS AN ACTIVE OWNER. HE WROTE HE WAS A PASSIVE PARTNER IN A THIRD COMPANY WHEN HE WAS AN ACTIVE OWNER. HE WROTE HE WAS A PASSIVE OWNER OF A FOURTH COMPANY AND THAT A CUSTOMER WAS ALSO AN OWNER WHEN HE WAS AN ACTIVE OWNER AND OWNED 100% OF THE COMPANY. PAUL AND ONE OF HIS COMPANIES BORROWED \$6,500,000 FROM A CUSTOMER, SECURED BY A DEED OF TRUST, TO FINANCE A COMMERCIAL REAL ESTATE PROJECT CONTRARY TO HIS FIRM'S WRITTEN SUPERVISORY PROCEDURES PROHIBITING A REGISTERED REPRESENTATIVE FROM BORROWING MONEY FROM A CUSTOMER UNLESS THE CUSTOMER WAS A MEMBER OF THE REPRESENTATIVE'S IMMEDIATE FAMILY OR WAS REGULARLY ENGAGED IN THE BUSINESS OF LENDING MONEY OR PROVIDING CREDIT TO THE GENERAL PUBLIC WHICH THE CUSTOMER WAS NOT. IN A COMPLIANCE QUESTIONNAIRE, PAUL INACCURATELY STATED HE HAD NEVER BORROWED FROM OR LENT MONEY TO ANY CLIENTS (EXCLUDING IMMEDIATE FAMILY MEMBERS); IN AN EMAIL, PAUL WROTE THAT THE CUSTOMER WAS A NON-PARTNER INVESTOR WHEN HE HAD ACTUALLY MADE A LOAN TO PAUL AND HIS COMPANY. WHEN REPRESENTATIVES INQUIRED WHETHER PAUL HAD BORROWED MONEY, HE DENIED THAT HE OR HIS COMPANY HAD BORROWED MONEY AND THE CUSTOMER WAS AN INVESTOR. IN AN EMAIL, PAUL WROTE THAT HIS COMPANY OWNED THE LAND FOR THE PROJECT AND THAT THE CUSTOMER WAS THE OWNER OF THE



IMPROVEMENTS WHICH WERE COMPLETELY SEPARATE WHEN THE COMPANY ACTUALLY OWNED BOTH THE LAND AND THE IMPROVEMENTS AND THE CUSTOMER HAD MADE A LOAN TO FINANCE THE DEVELOPMENT AND CONSTRUCTION OF THE PROJECT.

Current Status: Final

Resolution: Acceptance, Waiver & Consent(AWC)

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

Resolution Date: 04/20/2012

Sanctions Ordered: Civil and Administrative Penalty(ies)/Fine(s)
Suspension

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?

(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?

(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



(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?

Sanction 1 of 1

Sanction Type: Suspension

Capacities Affected: ANY CAPACITY

Duration: ONE YEAR

Start Date: 05/07/2012

End Date: 05/06/2013

Monetary Sanction 1 of 1

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

Total Amount: \$20,000.00

Portion Levied against individual: \$20,000.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement

WITHOUT ADMITTING OR DENYING THE FINDINGS, PAUL CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, HE IS FINED \$20,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR ONE YEAR. THE FINE IS DUE AND PAYABLE EITHER IMMEDIATELY UPON REASSOCIATION WITH A MEMBER FIRM FOLLOWING THE SUSPENSION OR PRIOR TO ANY REQUEST FOR RELIEF FROM ANY STATUTORY DISQUALIFICATION RESULTING FROM THIS OR ANY OTHER EVENT OR PROCEEDING, WHICHEVER IS EARLIER. THE SUSPENSION IS IN EFFECT FROM MAY 7, 2012 THROUGH MAY 6, 2013.

Reporting Source: Individual

Regulatory Action Initiated By: FINRA



Sanction(s) Sought:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
Date Initiated:	04/20/2012
Docket/Case Number:	2010024106101
Employing firm when activity occurred which led to the regulatory action:	RBC CAPITAL MARKETS, INC.
Product Type:	Promissory Note
Allegations:	Engaged in outside business activities without providing prompt written notice to firm, provided inaccurate information to firm, borrowed \$6,500,000 from a client without notification or permission from firm, provided inaccurate information to the firm regarding the loan and project ownership. Violations of FINRA RULE 2010, and NASD RULES 2110, 2370, and 3030.
Current Status:	Final
Resolution:	Acceptance, Waiver & Consent(AWC)
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Resolution Date:	04/20/2012
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
Sanction 1 of 1	
Sanction Type:	Suspension
Capacities Affected:	All Capacities
Duration:	ONE YEAR
Start Date:	05/07/2012
End Date:	05/06/2013
Monetary Sanction 1 of 1	
Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	\$20,000.00
Portion Levied against individual:	\$20,000.00
Payment Plan:	Payment due upon reassociation with a member firm.
Is Payment Plan Current:	
Date Paid by individual:	
Was any portion of penalty waived?	No
Amount Waived:	
Broker Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, MR. PAUL ENTERED IN



TO THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT TO FULLY AND FINALLY RESOLVE FINRA'S ALLEGED RULE VIOLATIONS. IF A CLIENT OR PROSPECT IS CONCERNED ABOUT THE ALLEGATIONS, SHE OR HE SHOULD SPEAK DIRECTLY TO MR. PAUL.



Termination

This disclosure event involves a situation where the Investment Adviser Representative voluntarily resigned, was discharged or was permitted to resign after allegations were made that accused the Investment Adviser Representative of violating investment-related statutes, regulations, rules or industry standards of conduct; fraud or the wrongful taking of property; or failure to supervise in connection with investment-related statutes, regulations, rules or industry standards of conduct.

Disclosure 1 of 2

Reporting Source: Firm
Firm Name: NORTHWEST ASSET MANAGEMENT
Termination Type: Discharged
Termination Date: 06/30/2014
Allegations: THE PRIMARY REASONS FOR THE TERMINATION WAS THE FACT MR. PAUL FAILED TO DISCLOSE OUTSIDE BUSINESS ACTIVITIES. ADDITIONALLY, MR. PAUL ALSO MADE FALSE AND MISLEADING STATEMENTS REGARDING HIS OUTSIDE BUSINESS ACTIVITIES IN VIOLATION OF FIRM POLICIES AND SECURITIES LAWS. DURING HIS EMPLOYMENT PERIOD, MR. PAUL CONDUCTED OUTSIDE BUSINESS WITH FIRM CLIENTS WITHOUT PRE-APPROVAL FROM THE COMPLIANCE DEPARTMENT. CONDUCTING OUTSIDE BUSINESS WITH FIRM CLIENTS CREATES A SERIOUS CONFLICT OF INTEREST AND IS PROHIBITED. DURING AN INTERNAL INVESTIGATION MR. PAUL MADE FALSE AND MISLEADING STATEMENTS TO THE FIRM'S CHIEF COMPLIANCE OFFICER REGARDING HIS OUTSIDE BUSINESS ACTIVITIES."

Product Type: No Product

Reporting Source: Individual
Firm Name: Northwest Asset Management
Termination Type: Discharged
Termination Date: 06/30/2014
Allegations: Failed to disclose outside business activities. Made false and misleading statements regarding outside business activities.

Product Type: No Product

Broker Statement Northwest Asset Management's (NWAM) allegation and my termination occurred after NWAM admitted that it failed to timely amend my form U4. In at least one circumstance, NWAM did not timely amend my U4 because they believed that no amendment was required. NWAM also failed to provide me with U4s for my review and NWAM typed my name as an electronic signature on U4s without my authorization.

Disclosure 2 of 2

Reporting Source: Firm
Firm Name: RBC CAPITAL MARKETS, LLC
Termination Type: Discharged
Termination Date: 03/07/2011
Allegations: MR. PAUL VIOLATED THE FIRM'S CODE OF CONDUCT AND POLICIES, AND INDUSTRY STANDARDS BY BORROWING \$6,500,000.00 FROM A CLIENT,



THROUGH HIS OUTSIDE BUSINESS, A LIMITED LIABILITY CORPORATION FOR WHICH MR. PAUL IS THE OWNER. IT WAS FURTHER CONFIRMED THAT THE CLIENT LOAN TO MR. PAUL WAS FUNDED BY WAY OF A LINE OF CREDIT WITH THE FIRM THAT THE CLIENT ESTABLISHED EXCLUSIVELY FOR THIS PURPOSE AND WHICH WAS FACILITATED BY MR. PAUL. WHEN MR. PAUL WAS APPROACHED IN OR ABOUT AUGUST 2010 REGARDING THE EXISTENCE OF THIS LOAN, HE DENIED ITS EXISTENCE. THE FIRM ONLY RECENTLY BECAME AWARE OF THE ACTUAL EXISTENCE OF THE LOAN, NEARLY 18 MONTHS AFTER IT WAS PROCESSED AND 6 MONTHS AFTER MR. PAUL DENIED ITS EXISTENCE.

Product Type:	No Product
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Reporting Source:	Individual
Firm Name:	RBC CAPITAL MARKETS, LLC
Termination Type:	Discharged
Termination Date:	03/07/2011
Allegations:	IT WAS ALLEGED MR. PAUL VIOLATED FIRM POLICY BY BORROWING FUNDS FROM A CLIENT AND ENGAGING IN AN OUTSIDE BUSINESS ACTIVITY WITHOUT NOTIFYING THE FIRM.
Product Type:	Promissory Note
Broker Statement	THE ALLEGATIONS AGAINST MR. PAUL ARE RELATED TO FINRA'S ALLEGATIONS AGAINST HIM IN CASE # 2010024106101. WITHOUT ADMITTING OR DENYING FINRA'S ALLEGATIONS, MR. PAUL ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT TO FULLY AND FINALLY RESOLVE FINRA'S ALLEGATIONS. ANY CURRENT OR PROSPECTIVE CLIENTS WITH CONCERNs REGARDING THIS DISCLOSURE ARE ENCOURAGED TO SPEAK WITH MR. PAUL DIRECTLY.



End of Report

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