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8
9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
10 OF THE STATE OF CALIFORNIA

<p>11 In the Matter of:</p> <p>12 THE COMMISSIONER OF BUSINESS</p> <p>13 OVERSIGHT,</p> <p>14 Complainant,</p> <p>15 v.</p> <p>16</p> <p>17</p> <p>18 HAROLD FRANCIS COUGLAR,</p> <p>19 Respondent.</p>	<p>) CRD NO.: 137472</p> <p>) ACCUSATION IN SUPPORT OF ORDERS:</p> <p>) (1) REVOKING INVESTMENT</p> <p>) ADVISER REPRESENTATIVE</p> <p>) REGISTRATION OF HAROLD</p> <p>) FRANCIS COUGLAR PURSUANT</p> <p>) TO CORPORATIONS CODE</p> <p>) SECTION 25232</p> <p>) (2) BARRING HAROLD FRANCIS</p> <p>) COUGLAR FROM ANY POSITION</p> <p>) OF EMPLOYMENT, MANAGEMENT</p> <p>) OR CONTROL OF ANY</p> <p>) INVESTMENT ADVISER, BROKER-</p> <p>) DEALER OR COMMODITY</p> <p>) ADVISOR PURSUANT TO</p> <p>) CORPPRATIONS CODE SECTION</p> <p>) 25232.1</p>
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24 Jan Lynn Owen, the Commissioner of Business Oversight (Commissioner), alleges and
25 charges as follows:

26 **I.**

27 **Jurisdiction and Venue**

28 1. The Commissioner brings this action pursuant to sections 25232 and 25232.1 of the
Corporate Securities Law of 1968 (CSL) (Corp. Code, § 25000 et seq.) and the rules and regulations

ACCUSATION

1 promulgated thereunder (Cal. Code Regs., tit. 10, § 260.000 et seq.).

2 2. This action is brought to: (1) revoke the investment adviser representative
3 registration issued to Harold Francis Couglar (Couglar) pursuant Corporations Code section 25232;
4 and, (2) bar Couglar from any position of employment, management or control of any investment
5 adviser, broker-dealer or commodity advisor pursuant to Corporations Code section 25232.1.

6 3. The Commissioner is authorized to administer and enforce the provisions of the CSL
7 and the regulations promulgated thereunder which include the licensing and regulation of
8 investment advisers in California.

9 4. Couglar currently a registered investment adviser representative issued by the
10 Commissioner pursuant to Corporations Code section 25230 (Central Registration Depository
11 (“CRD”) No. 1193367). Couglar is currently registered as an Investment Adviser Representative
12 (IAR) in the State of California with CS Planning Corporation. (CRD 149937).

13 II.

14 **Couglar’s Investment Adviser Representative Registration Should Be Revoked Because He** 15 **Has Been Barred from Association with Any FINRA Member In Any Capacity**

16 5. Corporations Code section 25212 provides, in pertinent part:

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18 The commissioner may, after appropriate notice and the opportunity for hearing, by order
19 censure, deny a certificate to, suspend, suspend for a period not exceeding 12 months, or
20 revoke the certificate of, any broker-dealer if the commissioner finds that the censure, denial,
21 suspension, or revocation is in the public interest and that the broker-dealer, whether prior to
22 or subsequent to becoming a broker-dealer, or any partner, officer, director, or branch
23 manager of the broker-dealer, whether prior to or subsequent to becoming associated with the
24 broker-dealer, or any person directly or indirectly controlling the broker-dealer, whether prior
25 or subsequent to becoming such, or any agent employed by the broker-dealer while so
26 employed has done any of the following:

24 (d) Is or has been subject to (1) any order of the Securities and Exchange
25 Commission or the securities administrator of any other state denying registration of,
26 the person as a broker, dealer, agent, or investment adviser, (2) any order of any
27 national securities association or national securities exchange (registered under the
28 Securities Exchange Act of 1934) suspending or expelling that person from
membership in the association or exchange or from association with any member
thereof, or (3) any order of the commission or any administrator, association, or
exchange referred to in this subdivision which is or has been necessary for the
protection of any investor.

1 6. Corporations Code section 25213 provides:

2
3 The commissioner may, after appropriate notice and opportunity for a hearing, by order
4 censure, or suspend for a period not exceeding 12 months, or deny or bar from any position
5 of employment, management or control of any broker-dealer or investment adviser, any
6 officer, director, partner, agent, employee of, or person performing similar functions for a
7 broker-dealer, or any person, if the commissioner finds that the censure, suspension, denial or
8 bar is in the public interest and that the person has committed any act or omission
9 enumerated in subdivision (a), (e), (f), or (g) of Section 25212 or has been convicted of, or
10 pled nolo contendere to, any offense or been held liable in any civil action specified in
11 subdivision (b) of Section 25212, or is enjoined from any act, conduct or practice specified in
12 subdivision (c) of Section 25212 or is subject to any order specified in subdivision (d) of
13 Section 25212.

14 7. Corporations Code section 25232 provides, in pertinent part:

15 The commissioner may, after appropriate notice and opportunity for hearing, by order
16 censure, deny a certificate to, or suspend for a period not exceeding 12 months or revoke the
17 certificate of, an investment adviser, if the commissioner finds that the censure, denial,
18 suspension, or revocation is in the public interest and that the investment adviser, whether
19 prior or subsequent to becoming such, or any partner, officer or director thereof or any
20 person performing similar functions or any person directly or indirectly controlling the
21 investment adviser, whether prior or subsequent to becoming such, or any employee of the
22 investment adviser while so employed has done any of the following:

23 (h) Has violated any provision of this division or the rules thereunder or, in the case
24 of an applicant only, any similar regulatory scheme of the State of California or a
25 foreign jurisdiction.

26 8. In accordance with Corporations Code sections 25213 and 25232, the Commissioner
27 may revoke the registration of investment adviser representative if the Commissioner determines that
28 the revocation is in the public interest and if the investment adviser representative had been expelled
29 by a national securities association. Couglar consented to bar from association with any FINRA
30 member in any capacity which was accepted by FINRA and took effect on May 21, 2018. Couglar
31 agreed to findings which included admissions of (1) a failure to disclose outside securities accounts
32 (in violation of NASD Rules 3050(c) and 2110 and FINRA Rule 2010), and (2) a failure to disclose
33 outside business activities in violation of FINRA Rule 3270.

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III.

Couglar Should Be Barred from Any Position of Employment, Management or Control of Any Investment Adviser, Broker-Dealer or Commodity Advisor Because He Failed To Disclose Outside Accounts, Trades And Business Activities

9. Corporations Code section 25232.1 provides, in pertinent part:

The commissioner may, after appropriate notice and opportunity for hearing, by order censure, or suspend for a period not exceeding 12 months, or bar from any position of employment, management or control of any investment adviser, broker-dealer or commodity adviser, any officer, director, partner, employee of, or person performing similar functions for, an investment adviser, or any other person, if he or she finds that the censure, suspension or bar is in the public interest and that the person has committed any act or omission enumerated in subdivision . . . (d) of Section 25232.

8. Corporations Code section 25232, subdivision (d), provides:

Is or has been subject to (1) any order of the Securities and Exchange Commission or the securities administrator of any other state denying registration of, the person as a broker, dealer, agent, or investment adviser, (2) any order of any national securities association or national securities exchange (registered under the Securities Exchange Act of 1934) suspending or expelling that person from membership in the association or exchange or from association with any member thereof, or (3) any order of the commission or any administrator, association, or exchange referred to in this subdivision which is or has been necessary for the protection of any investor.

9. In accordance with Corporations Code section 25232.1, the Commissioner may bar any officer or employee of an investment adviser when there is an order of a national securities association that expels the person from membership in that organization.

10. After obtaining his certificate from the Commissioner to act as an investment adviser representative on December 31, 1997, Couglar served as a registered General Services Representative (“GSR”) and a General Securities Principal (“GSP”) with Linsco/Private Ledger Corp (“LPL”).

11. Couglar voluntarily terminated his association with LPL on October 31, 2003.

12. Couglar became associated with CBIZ Financial Solutions (“CBIZ”) as a GSR and a GSP on June 29, 2005. Couglar terminated his association with CBIZ on March 29, 2012.

1 13. Couglar became associated with Montage Securities on March 28, 2012 and was
2 discharged from that company on December 13, 2016. Couglar was noted to have been an
3 “Interested Party” on the accounts of several individuals (none of whom were clients of Mariner
4 Wealth Advisors) and that was the reason for termination.

5 14. Couglar became associated with Mariner Wealth Advisors on January 1, 2011.
6 Couglar was discharged from that association on December 13, 2016. The reason for the
7 termination was noted to be that Couglar was noted to have been an “Interested Party” on the
8 accounts of several individuals (none of whom were clients of Mariner Wealth Advisors).

9 15. Couglar became associated with CS Planning Corporation on December 14, 2016 as
10 a Registered Adviser.

11 16. From May 1996 through October 2003, and from June 2005 through December
12 2016, (the “Outside Account Period”) in violation of NASD Rule 3050(c) and, as applicable, NASD
13 Rule 2110 and FINRA Rule 2010, Couglar effected orders for the purchase and sale of securities for
14 87 accounts at other broker-dealers as to which he had discretionary authority without notifying: (1)
15 the Employer Firms about the Outside Accounts and trading activity and (2) the executing members
16 at which the Outside Accounts were held of his association with the Employer Firms.

17 17. During the time that Couglar was associated with Montage, from March 28, 2012 to
18 December 13, 2016, Couglar received \$102,956 in compensation from individuals who owned the
19 outside accounts. More than 2,800 trades with a value of more than \$30 million.

20 18. Couglar did not notify employer firms about the outside accounts or trades he
21 affected in those accounts.

22 19. From March 2012 through December 2016 (while associated with Montage) Couglar
23 prepared tax returns for at least 18 individuals who were not customers of Montage without
24 disclosing those activities to Montage. Tax preparation services were not within the scope of
25 Couglar’s duties with Montage.

26 20. While associated with Montage, Couglar received \$27,255 in compensation from
27 individuals to who he provided tax preparation services.
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1 21. Further, in violation of FINRA Rules 3270 and 2010, Couglar failed to notify
2 Montage that he was engaged in tax preparation services for compensation, which is a business
3 activity that was outside the scope of the relationship with that firm.

4 22. Couglar also acknowledged in his Letter of Acceptance, Waiver and Surrender that if
5 that letter was accepted, the Letter would become a part of his permanent disciplinary record and
6 could be considered in any future actions brought by FINRA or any other regulator.

7 23. FINRA accepted The Letter of Acceptance, Waiver and Surrender on May 21, 2018.

8 **Prayer**

9 **WHEREFORE**, good cause showing, the Commissioner prays for relief, as follows:

10 1. For an order, pursuant to Corporations Code section 25232, revoking the Registered
11 Investment Adviser Representative certificate of Harold Francis Couglar and prohibiting Harold
12 Francis Couglar from accepting new investment adviser business or making any additional
13 investment of client funds, but permitting him to continue servicing existing client accounts in order
14 to allow a winding down and liquidation of the accounts and to return the funds to each of the
15 investors as soon as practically feasible; and,

16 2. For an order, pursuant to Corporations Code section 25232.1, barring Harold Francis
17 Couglar from any position of employment, management or control of any broker-dealer, investment
18 adviser or commodity adviser.

19 Dated: April 17, 2019
20 San Francisco, California

JAN LYNN OWEN
Commissioner of Business Oversight

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23 By: _____
24 WILLIAM HORSEY
25 Senior Counsel
26 Enforcement Division
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