

**STATE OF NORTH CAROLINA  
DEPARTMENT OF THE SECRETARY OF STATE  
SECURITIES DIVISION**

IN THE MATTER OF:	)	
	)	<b>FINAL CONSENT ORDER</b>
DONALD M. RASMUSSEN,	)	19 SEC 068
(CRD No. 2615837)	)	
	)	
Respondent.	)	

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The Secretary of State of the State of North Carolina (“Administrator”), as the Administrator of the North Carolina Investment Advisers Act (N.C. Gen. Stat. Chapter 78C, the “Act”), has considered the evidence in this matter and finds that it is in the public interest to resolve it on the terms set forth in this Final Consent Order (“Order”). With the consent of Donald M. Rasmussen (“Rasmussen”), the Administrator enters this Order.

**I. FINDINGS OF FACT**

1. Rasmussen is a citizen and resident of Concord, Cabarrus County, North Carolina. His assigned CRD registration number is 2615837.<sup>1</sup>
2. From on or about August 1, 2016, through on or about February 12, 2019, Rasmussen was registered as an investment adviser representative with Institute for Wealth Advisors, Inc. a registered investment adviser.

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<sup>1</sup> The CRD/IARD (Central Registration Depository/Investment Advisor Registration Depository) is a database maintained by FINRA for all firms and individuals involved in the U.S. securities industry. This database is used to store and maintain information on registered securities and broker firms, as well as individuals who register as salesmen and/or investment adviser representatives.

3. On February 14, 2019, Rasmussen applied for registration with the Administrator as an investment adviser representative for Inspire Advisors, LLC (CRD No. 300279), a registered investment adviser, by completing and submitting a Form U4.<sup>2</sup>
4. On or about February 14, 2019, while Rasmussen's application was pending, the North Carolina Department of the Secretary of State, Securities Division ("Securities Division"), conducted a records search regarding Rasmussen that disclosed a federal tax lien from 2018.
5. Form U4 asks, at Question 14M, if the applicant has any unsatisfied judgments or liens. Rasmussen marked, or caused to be marked, "No" on the Form U4 submitted to the Securities Division on February 14, 2019.
6. As a result, Rasmussen failed to disclose this federal tax lien on his Form U4 at the time the application for registration was submitted.
7. After the Securities Division contacted him about this lien, Rasmussen quickly amended his Form U4 to disclose the federal tax lien. The Securities Division also recognizes that this lien was filed August 8, 2018, relatively shortly before the registration application.
8. During the application process, the Securities Division also identified that Rasmussen was using a professional designation, "Chartered Advisor in Philanthropy," which he had not earned. Rasmussen used this designation both while registered as an investment adviser representative and while his application for registration was pending. This designation was included in emails that Rasmussen sent to the Securities Division.
9. Rasmussen discontinued use of this professional designation after the Securities Division notified him of this issue.

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<sup>2</sup> The Form U4, also known as the Uniform Application for Securities Industry Registration or Transfer, is a form that investment adviser representatives use to register in the jurisdictions they would like to conduct business. An investment adviser representative must make certain disclosures on Form U4, including disclosures relating to employment, disciplinary history, customer complaints, liens, bankruptcies, and outside business activities.

10. An investment adviser representative must keep his Form U4 updated, and correct any inaccurate or incomplete filing. 18 NCAC 06A .1703; N.C. Gen Stat. §78C-18(d).

11. Under North Carolina law, an investment adviser representative cannot engage in dishonest or unethical acts. N.C. Gen. Stat. §78C-19(a)(2)(g)

12. The Administrator finds that the entry of this Final Order is necessary or appropriate in the public interest or for the protection of investors and clients and consistent with the purposes fairly intended by the policy and provisions of the North Carolina Investment Advisers Act.

## II. CONCLUSIONS OF LAW

1. The Administrator has jurisdiction over Rasmussen, and over the subject matter of this Order.

2. At all relevant times herein, Rasmussen was an investment adviser representative (or applicant for registration as an investment adviser representative) as defined under North Carolina law. *See e.g.* N.C. Gen. Stat. §78C-2(3). As an investment adviser representative, or applicant, in North Carolina, Rasmussen is required to comply with North Carolina's laws and administrative rules, and submit himself to the jurisdiction and oversight of the Administrator. Rasmussen was also at all relevant times a registrant and/or applicant under North Carolina law.

3. Under North Carolina law, if the information contained in any document filed with the Administrator is or becomes inaccurate or incomplete in any material respect, the registrant is required to promptly file a correcting amendment. N.C. Gen Stat. §78C-18(d).

4. Under North Carolina law, an investment adviser representative is under a continuing obligation to update information required by Form U4 as changes occur. 18 NCAC 06A .1703.

5. As more particularly described above, Rasmussen failed to timely amend his Form U4 to disclose the tax lien and failed to disclose the tax lien on the February 14, 2019 Form U4 filed with the Securities Division. Rasmussen therefore violated N.C. Gen. Stat. §78C-18(d) and 18 NCAC 06A .1703.

6. N.C. Gen. Stat. §78C-19(a)(2)(b) grants the Administrator the authority to deny, suspend, or revoke any registration in whole or in part if she finds that an applicant or registrant has willfully violated or willfully failed to comply with any provision of the Investment Advisers Act or any rule promulgated under the Investment Advisers Act.

7. As more particularly described above, Rasmussen used a professional designation that he had not earned and was not entitled to use. This act was a dishonest or unethical practice that violated N.C. Gen. Stat. §78C-19(a)(2)(g). This also serves as a basis for action including denying, suspending or revoking his registration.

8. N.C. Gen. Stat. §§78C-19 and 78C-28 give the Administrator the authority to issue an Order under the Act.

9. This Order and the assessment of a civil penalty is necessary or appropriate in the public interest, is for the protection of investors and clients, and is consistent with the purposes fairly intended by the policy and provisions of the Act.

10. The Administrator has the authority to enter this order pursuant to the Act and the administrative rules adopted thereunder.

### **III. JURISDICTION, CONSENT, AND WAIVER**

Rasmussen, as evidenced by the authorized signature of the Consent to Entry of Final Order, below, affirmatively states and agrees that:

1. The Administrator has jurisdiction over him and the subject matter of this Order.

2. Rasmussen voluntarily consents to the entry of this Order and understands it is a public document.

3. Rasmussen has read the contents of this Order and has had the opportunity to consult with an attorney prior the signing of this Order.

4. Rasmussen freely signs this Order. No threats, promises, or offers of any kind, other than as stated in this document, have been made by the Administrator, Deputy Securities Administrator, any member of the staff of the Securities Division, or any agent or employee of the North Carolina Department of the Secretary of State in connection with the signing of this Order.

5. Rasmussen permanently waives any and all rights under the North Carolina Investment Adviser's Act, the North Carolina Administrative Procedure Act (N.C. Gen. Stat. Chapter 150B), and any other law, to a *Notice of Hearing*, a hearing, and any other proceedings before the Administrator or other entity to which he may be entitled related to the subject of this Order, including any court of competent jurisdiction. Rasmussen also permanently waives his right to seek judicial review of this Order under N.C. Gen. Stat. Chapter 150B, to appeal this Order, or to otherwise challenge either the validity or entry of this Order in any court or administrative agency. This Order resolves this matter without further administrative proceedings.

6. This Order contains the entire agreement between the undersigned, and Rasmussen understands its effect.

7. The presentation of this Order to the Administrator and any subsequent discussion of the Order prior to its entry without Rasmussen or his counsel being present shall not constitute an improper *ex parte* communication between the Administrator and the Securities Division or counsel for the Securities Division.

**NOW, THEREFORE**, the Administrator, pursuant to and under all authority granted by the North Carolina Investment Advisers Act based upon the forgoing Findings of Fact, Conclusions of Law, and Jurisdiction, Consent and Waiver, and with Rasmussen's express written consent to the entry of this Order, orders the following:

#### **IV. ORDER**

1. Rasmussen shall immediately and permanently cease and desist from violating N.C. Gen. Stat. §78C-18(d), N.C. Gen. Stat. §78C-19(a)(2)(g), and 18 NCAC 06A .1703.
2. Rasmussen shall immediately and permanently cease and desist from violating any other provisions of the North Carolina Investment Advisers Act and any administrative rules promulgated under the Act.
3. Rasmussen shall timely amend his Form U4 with respect to all reportable events, and will keep his Form U4 current and in accordance with the instructions on the Form U4 and applicable statutes and regulations.
4. Rasmussen shall not use any professional designation unless the same is properly earned.
5. Rasmussen shall pay to the Securities Division a civil penalty in the amount of \$5,000.00 within 30 days of the date of entry of this Order.
6. The Administrator will register Rasmussen as an investment adviser representative with Inspire Advisors, LLC upon entry of this Order.
7. Rasmussen shall not take any action, or make, or permit to be made, any public statement, denying, directly or indirectly, any finding in this Order or creating the impression that this Order is without factual basis.
8. This Order shall become final upon entry.

WITNESS MY HAND AND THE OFFICIAL SEAL of the North Carolina

Department of the Secretary of State, this the 12<sup>th</sup> day of September 2019.

Time of entry: 12:15 P.M.



ELAINE F. MARSHALL  
SECRETARY OF STATE OF NORTH CAROLINA and  
SECURITIES ADMINISTRATOR, by

REDACTED

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KEVIN M. HARRINGTON  
Deputy Securities Administrator