

**JAMESON C. WALKER**  
Office of the Commissioner of  
Securities & Insurance  
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Helena, MT 59601  
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Attorney for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE  
OFFICE OF THE STATE AUDITOR  
STATE OF MONTANA**

IN THE MATTER OF:

Christopher Faber, CRD #3009187,  
Respondent.

) Case No.: SEC-2011-178  
)  
) **CONSENT AGREEMENT AND**  
) **FINAL ORDER**  
)  
)  
)

This Consent Agreement and Final Order (Agreement) is entered into by the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), acting pursuant to the authority of the Securities Act of Montana, Mont. Code Ann. § 30-10-101, et seq. (Act), and Christopher Faber (Respondent).

**RECITALS**

WHEREAS, the CSI received a complaint regarding several securities transactions conducted by the Respondent. The complaint alleged that the Respondent improperly liquidated their American mutual funds to purchase Ivy funds, failed to inform them that the purchase of an annuity did not count towards a breakpoint discount formalized in a Letter of Intent (LOI), and improperly changed the payee on a check to an annuity company;

WHEREAS, the CSI investigated the complaint by requesting information from the Respondent and reviewing the submitted documents;

CONSENT AGREEMENT AND FINAL ORDER

WHEREAS, the CSI alleged the Respondent omitted to inform investors that the purchase of an annuity did not count towards a breakpoint amount outlined in the LOI;

WHEREAS, the CSI alleged the Respondent violated Mont. Code Ann. § 30-10-301(b) by omitting to state the annuity did not contribute to the LOI breakpoint;

WHEREAS, the CSI alleged the Respondent did not inform investors that he could have acted as an advisor on record for the American mutual funds the investors previously held;

WHEREAS, the CSI alleged the Respondent violated Mont. Code Ann. § 30-10-301(b) by failing to inform the investors he could have acted as the advisor on record on the American funds;

WHEREAS, the CSI alleged the Respondent liquidated American mutual funds to purchase Ivy mutual funds, causing the investors to incur additional sales fees;

WHEREAS, the CSI alleged the Respondent violated Mont. Code Ann. § 30-10-201(13)(g) and Admin. R. Mont. 6.10.401(1)(c) by recommending the sale and purchase of the mutual funds, causing the investors to incur unnecessary costs;

WHEREAS, the CSI alleged the Respondent altered a check used to purchase an annuity without the investors' permission;

WHEREAS, the CSI alleged the Respondent violated Mont. Code Ann. § 30-10-301 by changing the check without permission;

WHEREAS, the CSI alleged the Respondent violated Mont. Code Ann. § 30-10-302 by filing a false statement with the CSI;

WHEREAS, the CSI and the Respondent agree that the best interests of the public would be served by entering into this Agreement;

NOW, THEREFORE, in consideration of the mutual undertakings contained in this Agreement, the CSI and the Respondent hereby agree to settle this matter pursuant to the following terms and conditions:

**STIPULATIONS AND CONSENTS**

- I. Without admitting or denying any of the CSI's allegations, the Respondent stipulates and consents to the following:
  - A. The Respondent shall pay an \$8,340.27 fine to the state of Montana. This amount reflects the sales charges paid by the investors for the mutual fund switch and the amount they were charged for failure to meet the terms of the LOI. The fine is due within twenty (20) days upon execution of this agreement.
  - B. The CSI shall suspend the Respondent for two full working days, effective November 29<sup>th</sup> and 30<sup>th</sup> 2011.
  - C. The Respondent agrees to henceforth comply with the Act and administrative rules promulgated by the CSI.
  - D. The Respondent fully and forever releases and discharges the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner), the CSI, and all of the CSI's employees and agents from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of this Agreement.
  - E. This Agreement is entered into without adjudication of any issue, law, or fact. It is entered into solely for the purpose of resolving the CSI's investigation and allegations, and is not intended to be used for any other purpose. For any person or entity not a party to this Agreement, this Agreement does not limit or create any private rights

or remedies against the Respondent including limit or create liability of Respondent, or limit or create defenses of Respondent, to any claims.

F. Upon execution of this Agreement, the Respondent acknowledges and waives its right to appeal the Commissioner's Order.

G. This Agreement constitutes the entire agreement between the parties and no other promises or agreements, either express or implied, have been made by the CSI or by any member, officer, agent, or representative of the CSI to induce Respondent to enter into this Agreement.

H. This Agreement may not be modified orally and any subsequent modifications to this Agreement must be mutually agreed upon in writing to be effective.

I. This Agreement shall be incorporated into and made a part of the attached Final Order issued by the Commissioner herein.

J. Upon execution of this Agreement, the CSI will not commence an administrative action against the Respondent based upon the activities alleged herein. The CSI reserves the right to commence an administrative action in the event Respondent fails to comply with the terms outlined above.

K. This Consent Agreement shall be effective upon signing of the Final Order.

L. This Agreement shall not constitute a final judgment or decree as provided by Mont. Code Ann. § 30-10-305(2).

M. Respondent further understands that, upon the signing of the Final Order by the Commissioner or her representative, this Agreement will be an order of the Commissioner and failure to comply may constitute separate violations of the Act

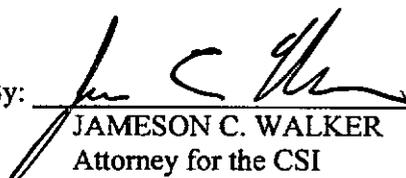
pursuant to Mont. Code Ann. § 30-10-305 and/or other applicable statutes or rules. The CSI reserves the right to take subsequent legal action for failure to comply with the Final Order, including seeking additional fines.

N. The applicable statute of limitation is tolled for two years from the date of execution of this Agreement with regard to the allegations set forth above.

O. The Agreement is a public record under Montana law and as such may not be sealed or otherwise withheld from the public.

DATED this 28<sup>th</sup> day of November, 2011

**SECURITIES DEPARTMENT**

By:   
\_\_\_\_\_  
JAMESON C. WALKER  
Attorney for the CSI

DATED this 20 day of NOV, 2011

By:   
\_\_\_\_\_  
CHRISTOPHER FABER

**FINAL ORDER**

Pursuant to the authority vested by Mont. Code Ann. § 2-4-603 and § 30-10-101, et seq.,  
and upon review of the foregoing Consent Agreement and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the CSI and  
the Respondent is adopted as if set forth fully herein.

DATED this 28<sup>th</sup> day of November, 2011.

MONICA J. LINDEEN  
Commissioner of Securities and Insurance  
Montana State Auditor

By:   
LYNNE EGAN  
Deputy Securities Commissioner

cc. Jameson C. Walker  
Stan Kaleczyc