

STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF SECURITIES
COLUMBUS, OHIO

Order No. 23-005

IN THE MATTER OF: JASON M. ORSKY WEALTH MANAGEMENT LLC,
CRD NO. 170277

JASON M. ORSKY
CRD No. 5652030

NOTICE OF INTENT TO SUSPEND OR REVOKE OHIO INVESTMENT ADVISER
LICENSE NO. 170277 AND OHIO INVESTMENT ADVISER REPRESENTATIVE
LICENSE NO. 5652030

NOTICE OF OPPORTUNITY FOR HEARING

DIVISION ORDER

WHEREAS, the Ohio Division of Securities (the "Division") is charged with the responsibility of protecting investors and finds that this order is necessary or appropriate in the public interest or for the protection of investors, and is consistent with the purposes of the Ohio Securities Act, Chapter 1707 of the Ohio Revised Code;

WHEREAS, the Division has investigated the activities of Jason M. Orsky Wealth Management LLC and Jason M. Orsky (each, a "Respondent", and together collectively, "Respondents") each of whose business address is 671 Columbia Road, Ste. #1, Westlake, Ohio 44145, and as a result of the investigation, the Division alleges the following:

- (1) Respondent Jason M. Orsky Wealth Management LLC is an Ohio limited liability company (registered with the Ohio Secretary of State as JMO Management LLC) licensed with the Division as an Ohio investment adviser since January 5, 2015;
- (2) Respondent Jason M. Orsky is an individual residing in Ohio and has held an Ohio investment adviser representative license through Respondent Jason M. Orsky Wealth Management LLC since January 5, 2015;
- (3) Respondent Jason M. Orsky also holds an Ohio securities salesperson license through Purshe Kaplan Sterling Investments, CRD No. 35747, since February 2014;
- (4) Since February 2014, Respondent Jason M. Orsky has been the founder,

chief compliance officer, and owner of Respondent Jason M. Orsky Wealth Management LLC;

- (5) Respondents are required to comply with all applicable provisions of the Ohio Revised Code (“ORC”) and the Ohio Administrative Code (“OAC”);
- (6) The Division conducts examinations of the books and records of licensed investment advisers in accordance with ORC section 1707.23(B) and OAC rule 1301:6-3-15.1(E);
- (7) On or about September 25, 2019, the Division sent correspondence via regular mail (the “2019 Scheduling Letter”) to Respondents for the purpose of scheduling an examination of Respondents, and requested that Respondents have available at the exam for inspection certain financial statements (the “2019 Exam Documents”), including a balance sheet, profit & loss statement, and general ledger for fiscal year 2018 and fiscal year 2019 to-date;
- (8) On or about October 1, 2019, the Division examined Respondents and their books and records and found that the 2019 Exam Documents were not available as requested by the 2019 Scheduling Letter;
- (9) On or about March 10, 2020, the Division sent correspondence via email to Respondents and, due to the unavailability of the 2019 Exam Documents at the October 1, 2019 exam, again requested financial documents, including the following, by the following deadlines (the “March 10, 2020 Documents”):
 - (a) Balance sheet as of March 31, 2020 and income statement for the quarterly period ended March 31, 2020, due by April 17, 2020;
 - (b) Balance sheet as of June 30, 2020 and income statement for the quarterly period ended June 30, 2020, due by July 17, 2020;
 - (c) Balance sheet as of September 30, 2020 and income statement for the quarterly period ended September 30, 2020, due by October 16, 2020; and
 - (d) Balance sheet as of December 31, 2020 and income statement for the annual period ended December 31, 2020, due by January 31, 2021;
- (10) On or about March 11, 2020, the Division sent correspondence by email to Respondents requesting they provide evidence of disclosure filings made via IARD regarding six liens held against Respondents for outstanding debts (the “March 11, 2020 Documents”);
- (11) On or about April 27, 2021, not having received the March 10, 2020

Documents or the March 11, 2020 Documents, the Division sent correspondence via email to Respondents to schedule another examination of Respondents for June 7, 2021 and requested that Respondents have available at the exam for inspection certain financial statements, including a balance sheet, profit & loss statement, and general ledger for fiscal year 2020 and fiscal year 2021 to-date, and a cash receipts journal, cash disbursements journal or equivalent, bank statements and credit card statements for 2020 and 2021, and the most recent filed tax return (the "2021 Exam Documents");

- (12) On or about June 7, 2021, the Division received an email from Respondents requesting a delay in the exam scheduled for that day due to illness;
- (13) The Division granted Respondents' requested delay, and rescheduled the examination for June 15, 2021;
- (14) On or about June 15, 2021, the Division again examined Respondents, during which Respondents failed to make available the March 10, 2020 Documents, the March 11, 2020 Documents and the 2021 Exam Documents, and following which the Division identified numerous additional deficiencies among Respondents' books and records (collectively, together with the March 10, 2020 Documents and the March 11, 2020 Documents, the "June 15, 2021 Documents"), including the following:
 - (a) Balance sheet;
 - (b) General ledger;
 - (c) Bank statements (the "Bank Statements") relating to Respondent Jason M. Orsky Wealth Management LLC, for 2020 and 2021 [to-date];
 - (d) Most recent tax return; and
 - (e) Revisions to Form ADV Part 2B providing a brochure supplement regarding Donald L. Moss, an investment adviser representative of Respondent Jason M. Orsky Wealth Management LLC (the "Brochure Supplement");
- (15) On or about June 17, 2021, the Division sent correspondence via email to Respondents repeating its request for the June 15, 2021 Documents;
- (16) On or about June 22, 2021, Respondents stated in email to the Division that they would make best efforts to provide the June 15, 2021 Documents by that afternoon;
- (17) On or about July 1, 2021, having received no response from Respondents, the Division again emailed Respondents to request the

June 15, 2021 Documents;

- (18) On or about July 7, 2021, Respondents responded to the Division's June 22, 2021 email, stating that they would provide the June 15, 2021 Documents by July 9, 2021;
- (19) On or about July 19, 2021, Respondents sent correspondence to the Division via email stating that they would supply the June 15, 2021 Documents "ASAP";
- (20) On or about September 1, 2021, not having received the June 15, 2021 Documents from Respondents, the Division issued to Respondents a Subpoena *Duces Tecum* (the "Subpoena") requiring Respondents to provide complete and accurate copies of the following documents (the "Subpoena Documents") on behalf of Respondent Jason M. Orsky Wealth Management LLC, by September 17, 2021:
 - (a) General and auxiliary ledgers related to fiscal year 2020 (the "2020 Annual Ledger") pursuant to OAC 1301:6-3-15.1(E)(1)(b) reflecting, at minimum, accounts for assets, liabilities, reserves, capital, income, and expenses;
 - (b) Quarterly income statements related to the first, second, third, and fourth fiscal quarters of fiscal year 2020 (the "2020 Quarterly Income Statements");
 - (c) An annual income statement related to fiscal year 2020 (the "2020 Annual Income Statement");
 - (d) A balance sheet related to fiscal year 2020 (the "2020 Annual Balance Sheet");
 - (e) General and auxiliary ledgers related to fiscal year 2021 (the "2021 to-date Annual Ledger") pursuant to OAC 1301:6-3-15.1(E)(1)(b) reflecting, at minimum, accounts for assets, liabilities, reserves, capital, income, and expenses;
 - (f) Quarterly income statements related to the first and second fiscal quarters of fiscal year 2021 (the "2021 to-date Quarterly Income Statements");
 - (g) A balance sheet related to the six-month fiscal period ended June 30, 2021 (the "2021 to-date Annual Balance Sheet");
 - (h) The Bank Statements; and
 - (i) The Brochure Supplement;

- (21) On or about October 1, 2021, Respondents responded to the Subpoena (the "Subpoena Response") providing documents to the Division purporting to be the Subpoena Documents, but the Subpoena Response was missing certain Subpoena Documents, while other Subpoena Documents were submitted, but remained deficient;
- (22) The Subpoena Response failed to provide, or provided deficient versions of, the following Subpoena Documents:
- (a) The 2020 Annual Ledger;
 - (b) The 2020 Quarterly Income Statements;
 - (c) The 2020 Annual Income Statement;
 - (d) The 2020 Annual Balance Sheet;
 - (e) The 2021 to-date Annual Ledger;
 - (f) The 2021 to-date Quarterly Income Statements;
 - (g) The 2021 to-date Annual Balance Sheet;
 - (h) The Bank Statements relating to the advisory business; and
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- (i) The Brochure Supplement;
- (23) On or about November 5, 2021, the Division sent correspondence to Respondents via email regarding the missing or inadequate Subpoena Documents and to request that Respondents provide the missing or inadequate Subpoena Documents and the following additional documents (the "Follow-up Documents") by a new deadline of November 19, 2021;
- (a) Unredacted fee/sundry account statements from Trade PMR and any other custodian used by Jason M. Orsky Wealth Management LLC relating to fiscal year 2020 and fiscal year 2021 to date; and
 - (b) Unredacted bank statements for certain Dollar Bank accounts;
- (24) On or about November 17, 2021, Respondents emailed the Division stating the missing or inadequate Subpoena Documents and the Follow-up Documents would not be ready by the November 19, 2021 deadline, and to request another extension, which the Division granted until December 3, 2021;
- (25) On or about December 3, 2021, Respondents supplied documents purporting to be the missing or inadequate Subpoena Documents and the Follow-up Documents, but the Division determined upon review of the

documents submitted that Respondents again failed to provide satisfactory copies of the missing or inadequate Subpoena Documents and Follow-up Documents;

- (26) Based on such deficiencies and/or failures, in approximately March 2022, the Division informally advised Respondents that it intended to initiate administrative action against their licenses;
- (27) As a compromise to formal administrative action at that time, Respondents agreed to hire a third-party accounting firm to compile and prepare (using the accrual basis of accounting) the outstanding Subpoena Documents (i.e., everything except for the Brochure Supplement), and to create a system for Respondents to produce similar financial reports in the future;
- (28) On or about March 28, 2022, Respondents provided the Division with a copy of an engagement letter from the accounting firm CliftonLarsonAllen ("CLA") whereby Respondents hired CLA to perform the accounting functions requested by the Division pursuant to a statement of work ("SOW");
- (29) During the months of April and May 2022, the Division engaged in frequent communications with Respondents, and occasionally with CLA, to establish a satisfactory SOW;
- (30) On or about May 31, 2022, the Division, CLA, and Respondents held a conference call in which all parties agreed to a SOW to the Division's satisfaction, and CLA indicated that the tasks set forth in the SOW would be estimated to be complete by "early August" 2022;
- (31) On or about June 15, 2022, Respondents agreed to hire a second accounting firm (other than CLA) to audit the financial statements prepared by CLA, which remained the sole responsibility of Respondents;
- (32) On or about September 9, 2022, the Division emailed Respondents seeking a status update on the completion of the SOW and inquire about Respondents' retention of the second accounting firm;
- (33) Also, on or about September 9, 2022, Respondents responded to the Division that due to a funeral, Respondents were not available, and that Respondents would follow up with the Division on "Monday" [September 12, 2022];
- (34) On or about September 20, 2022, having received no follow up from Respondents, the Division again emailed Respondents to request a status update on the completion of the work contemplated by the SOW and retention of the second accounting firm;
- (35) On or about September 21, 2022, Respondents emailed the Division to state that no update was available, but that Respondents would be speaking

with CLA “the next day or two” to obtain the update;

- (36) From approximately September 30, 2022 to October 20, 2022, not having received any update from Respondents, the Division emailed Respondents requesting the update at least four separate times;
- (37) On or about October 20, 2022, Respondents finally responded to the Division, stating “sorry I did not see your last email,” that Respondents planned to meet with CLA on “Thursday” [October 27, 2022] and that the SOW should be completed by then;
- (38) On or about October 31, 2022 and November 2, 2022, having received no update from Respondents, the Division emailed Respondents to request an update;
- (39) On or about November 3, 2022, Respondents responded to the Division stating “we are close” to getting the work contemplated by the SOW done;
- (40) On or about November 30, 2022, the Division again emailed Respondents seeking an update by December 5, 2022 regarding the work contemplated by the SOW, and stating that the Division expected to receive most, if not all, of the requested financial statements by calendar-year end;
- (41) On or about December 4, 2022, Respondents provided the Division with financial statements from June 2022 to December 4, 2022 (the “2022 QuickBooks Financials”);
- (42) On December 5, 2022, the Division responded to Respondents stating that no “legal or accounting” expense appeared in the 2022 QuickBooks Financials, casting doubt on its accuracy, and requested that Respondents provide invoices, proof of payment, and any other documents relating to CLA’s work on the SOW by the end of the day on December 5, 2022;
- (43) On December 5, 2022, Respondents responded stating that they would “see” why the expenses for CLA’s work did not appear in the 2022 QuickBooks Financials, but that the omission was likely an error;
- (44) Also on December 5, 2022, Respondents provided invoice 3320455 from CLA, which showed amounts owing for CLA’s work completed between May 21, 2022 and June 11, 2022, and invoice 3317429 from CLA, which showed amounts owing for CLA’s work completed between April 23, 2022 and May 7, 2022. Respondents did not provide any evidence of payment of such invoices or any other related documentation;
- (45) As of the date of this Notice, the Division has not received, or has only received in part, the following:
 - (a) the Subpoena Documents, other than the Brochure Supplement;

- (b) the Follow-up Documents;
 - (c) all checks issued by Respondents evidencing Respondents' payment to CLA of its fees for completing the work contemplated by the SOW; and
 - (d) all CLA invoices as agreed;
- (46) Without the required records, requested from Respondents as the Subpoena Documents and the Follow-Up Documents, the Division is unable to assess the financial solvency of Respondent Jason M. Orsky Wealth Management LLC and cannot determine the firm's compliance with OAC rule 1301:6-3-44(D);
- (47) Given Respondents' historical lack of responsiveness, the Division is uncertain regarding Respondents' ability to cure the deficiencies that led to this action and uncertain regarding the amount of time it would take Respondents to demonstrate full compliance with all pertinent provisions of the Ohio Securities Act and all rules promulgated thereunder;
- (48) ORC section 1707.19(A)(1)(f) provides that the Ohio license of an investment adviser or investment adviser representative may be suspended or revoked if the licensee "has refused to comply with any lawful order or requirement of the division under section 1707.23 of the Revised Code";
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- (49) ORC section 1707.23(B) gives the Division the power to "examine any investment adviser, investment adviser representative...and any of their agents, employees, partners, officers, directors, members, or shareholders, wherever located, under oath; and examine and produce records, books, documents, accounts, and papers as the division deems material or relevant to the inquiry";
- (50) ORC section 1707.19(A)(1)(k) provides that the Ohio license of an investment adviser or investment adviser representative may be suspended or revoked if the licensee "[h]as failed to furnish to the division any information with respect to acting as an investment adviser, investment adviser representative...within this state that may be reasonably requested by the division";
- (51) OAC rule 1301:6-3-15.1(E) provides in pertinent part: "Books and Records. All books and records of investment advisers licensed or required to be licensed under Chapter 1707 of the Revised Code are subject at any time, and from time to time, to reasonable periodic, special, or other examinations by the division as the division deems necessary or appropriate in the public interest or for the protection of investors, clients, or potential clients. Every investment adviser licensed or required to be licensed under Chapter 1707 of the Revised Code shall make and keep for the prescribed periods such books and records, furnish copies thereof, and make and disseminate such

reports as the division may prescribe as necessary or appropriate in the public interest for the protection of investors or clients”;

- (52) OAC rule 1301:6-3-15.1(E)(1) provides that every investment adviser licensed or required to be licensed under Chapter 1707 of the Revised Code shall make and keep true, accurate, and current the following books and records relating to the investment advisory business: (b) general and auxiliary ledgers or other comparable records reflecting asset, liability, reserve, capital, income, and expense accounts; and (f) trial balances and financial statements;
 - (53) The Ohio investment adviser and investment adviser representative licenses of Respondents are subject to suspension or revocation based on ORC sections 1707.19(A)(1)(f) and (A)(1)(k), based upon Respondents' failure to timely provide the requested information concerning their investment advisory business in accordance with OAC rule 1301:6-3-15.1(E)(1);
 - (54) ORC section 1707.19(A)(1)(a), provides that the license of an investment adviser or an investment adviser representative may be suspended or revoked by the Division if the Division determines that the investment adviser or investment adviser representative is not of “good business repute,” as that term is defined in OAC rule 1301:6-3-19(D);
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- (55) OAC rule 1301:6-3-19(D)(8), in determining “good business repute” as that term is used in ORC section 1707.19(A)(1)(a), the Division shall consider if the licensee has violated any provision of ORC chapter 1707. or any rule promulgated thereunder;
 - (56) OAC rule 1301:6-3-19(D)(9), in determining “good business repute” as that term is used in ORC 1707.19, the Division shall consider if the licensee has engaged in any conduct which would reflect on the reputation for honesty, integrity, and competence in business and personal dealings of the investment adviser or investment adviser representative including, but not limited to, nondisclosure, incomplete disclosure, or misstatement of material facts; and
 - (57) Based on the allegations set forth above, Respondents' investment adviser and investment adviser representative licenses are subject to suspension or revocation as they are not of “good business repute” as set forth in ORC section 1707.19(A)(1)(a) and OAC rules 1301:6-3-19(D)(8) and (9).

WHEREAS, based upon paragraphs (1) through (57) the Division alleges that Respondents have violated ORC sections 1707.19(A)(1)(f) and 1707.19(A)(1)(k), and OAC rules 1301:6-3-15.1(E)(1)(b) and (f);

WHEREAS, based on paragraphs (1) through (57), the Division further alleges that Respondents are not of “good business repute” as set forth in ORC section

1707.19(A)(1)(a) and OAC rules 1301:6-3-19(D)(8) and (9); and

WHEREAS, based upon paragraphs (1) through (57), the Division finally alleges that the investment adviser license of Jason M. Orsky Wealth Management LLC and the investment adviser representative license of Jason M. Orsky are subject to suspension or revocation for violations of ORC sections 1707.19(A)(1)(a), 1707.19(A)(1)(f), and 1707.19(A)(1)(k).

NOW, THEREFORE, IT IS HEREBY ORDERED, that pursuant to ORC Chapter 119, Respondents are hereby notified that thirty (30) days from the date of mailing of this Notice, the Division, pursuant to ORC section 1707.19, intends to issue a FINAL ORDER OF SUSPENSION OR REVOCATION of Respondents' Ohio Investment Adviser and Ohio Investment Adviser Representative licenses;

IT IS FURTHER ORDERED, that pursuant to ORC Chapter 119, Respondents are hereby notified that Respondents are entitled to an adjudicatory hearing. If Respondents wish to request a hearing, the request must be made in writing and must be received by the Division within thirty (30) days from the mailing of this Notice. At the hearing, Respondents and the Division may appear in person, by their attorney, or together with their attorney, or they may present their position, arguments, or contentions in writing, and that at the hearing they may present evidence and examine witnesses appearing for and against them; and

IT IS FINALLY ORDERED, that if no hearing is timely requested, a FINAL ORDER TO SUSPEND OR REVOKE the Ohio Investment Adviser license of Jason M. Orsky Wealth Management LLC and the Ohio Investment Adviser Representative license of Jason M. Orsky may be issued.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THIS DIVISION at
Columbus, Ohio February 15, 2023.


Andrea L. Seidt, Commissioner of Securities