

BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO

In the Matter of:

WILLIAM STERN,

and

SIGNALWISE, LLC,
An Idaho Limited Liability Company.

Respondents.

Docket No. 2020-7-08

AGREEMENT AND ORDER

The Director of the Department of Finance (“Department”) has conducted an investigation into the conduct of WILLIAM STERN and SIGNALWISE, LLC (“Respondents”). Pursuant to the investigation, it appears to the Director that violations of the Idaho Uniform Securities Act (2004) (the “Act”), I.C. § 30-14-101 et seq. have occurred. Respondents failed to timely register SignalWise, LLC as an investment adviser in Idaho. The Director and Respondents have agreed to resolve this matter without a public hearing or other adjudication of this matter. Therefore, the Director deems it appropriate and in the public interest to enter this Agreement and Order (“Order”). Respondents voluntarily consent to the entry of the Order.

RESPONDENTS

1. SignalWise, LLC (“SignalWise”) formerly known as Stern Brothers Asset Management LLC, is Texas limited liability company with its principal place of business is located at 13391 N. 7th Street, Boise, Idaho 83714. As of the time of this Order, SignalWise is in the process of changing its state of organization to Idaho. SignalWise is an investment adviser, as defined in Idaho Code § 30-14-102(15). SignalWise is currently registered as an investment adviser in Texas and Nevada.

2. William Stern (“Stern”) is the managing director and chief compliance officer of SignalWise, LLC and a resident of Idaho. Stern is registered as an investment adviser representative of SignalWise in Nevada and Texas.

BACKGROUND

3. In 2010, Stern registered SignalWise as an investment adviser in Texas. In 2011, Stern and SignalWise moved their business to Nevada. In 2012, Stern registered SignalWise as an investment adviser in Nevada.

4. In May of 2019, Stern and SignalWise moved their principal place of business from Nevada to Idaho. Stern did not register SignalWise as an investment adviser with the Department before or upon moving to Idaho.

5. Since moving to Idaho, Respondents have transacted investment adviser business by regularly providing investment advice to, and communicating with, out-of-state clients from their Idaho place of business.

6. Under Idaho Code § 30-14-403 of the Act, it is unlawful for a person to transact business in Idaho as an investment adviser unless the person is registered with the Department.

7. Respondents transacted “business in Idaho” as an investment adviser whether or not they had Idaho residents as clients.

8. On May 15, 2020, SignalWise applied to the Department for registration as an investment adviser. The application is pending the resolution of issues that are the subject of this Order.

FINDINGS OF VIOLATIONS

9. Idaho Code § 30-14-403(a) provides:

It is unlawful for a person to transact business in this state as an investment adviser unless the person is registered under this chapter as an investment

adviser or is exempt from registration as an investment adviser under subsection (b) of this section.

10. Respondents violated Idaho Code § 30-14-403(a) by regularly providing investment advice to or otherwise communicating with customers or clients from a place of business in Idaho without registering with the Department or qualifying for an exemption from registration.

ACKNOWLEDGMENT AND REMEDIES

11. Respondents admit the Findings of Violations.

12. Respondents agree to pay an administrative penalty of one thousand five hundred dollars (\$1,500). Payment of the penalty is due not later than thirty (30) days from the date of the Order.

13. Respondents agree to permanently cease and desist from violating the Act and agree to comply with all the provisions of the Act and the Rules promulgated thereunder in the future.

14. Respondents acknowledge that if they fail to comply with the Order, the Department may institute further proceedings against them.

15. Respondents represent that all information provided to the Department in connection with the investigation relating to the Order is true, accurate, and complete.

16. The Department agrees not to use this Order to deny SignalWise's pending application for registration as an investment adviser. The Department may include Respondent's violation of the Act, which is the subject of this Order, in determining the resolution of any future violation of the Act.

17. Respondents waive their right to notice and opportunity for a hearing on this matter provided by Idaho Code § 30-14-604 and under the contested case

provision of the Idaho Administrative Procedures Act, I.C. § 67-5240 *et seq.*

Respondents further waive their right to seek judicial review of this Order. The terms contained in this Order constitute the entire agreement between the Department and Respondents.

AGREED TO and ACKNOWLEDGED this 10th day of September, 2020



SIGNALWISE, LLC
By: WILLIAM STERN, Chief Compliance Officer



WILLIAM STERN

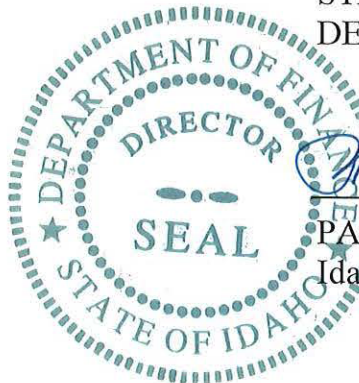


PATRICIA HIGHLEY
Bureau Chief, Securities Bureau
Idaho Department of Finance

IT IS SO ORDERED

DATED this 10th Day of September, 2020

STATE OF IDAHO
DEPARTMENT OF FINANCE



PATRICIA R. PERKINS, Director
Idaho Department of Finance