BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

PIVOTPOINT ADVISORS, LLC, and
JOHN M. NORQUAY

Respondents.

FINAL ORDER

DFI Case No. S-235546 (LX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities ("Division") issued a summary and proposed order on September 28, 2016, captioned:

> "Summary Order to Cease and Desist, Denying Application for Investment Adviser Registration and Imposing Disgorgement and Interest"
>
> (the "September 28, 2016" order attached and incorporated by reference herein).

The Administrator, having received no timely petition for hearing from Respondents PivotPoint Advisors, LLC and John M. Norquay, to review the above order within 30 days after the date of service, deems it necessary and appropriate in the public interest and for the protection of investors, pursuant to its legal authority and jurisdiction under Wis. Stat. Ch. 227 ("Ch. 227"), Wis. Stat. Ch. 551 ("Ch. 551"), and Wis. Admin. Code Ch. DFI-Sec, to issue the following orders and notices:

II.

A. Adoption of findings of fact and conclusions of law.

1. IT IS ORDERED that the September 28, 2016 Order paragraphs 1-28 are adopted as the findings of fact and conclusions of the law of the Administrator in this final order, pursuant to Wis. Stat. §§ 227.47(1), 551.412(7), and 551.604(3).

B. Final Orders

2. IT IS FURTHER ORDERED that the September 28, 2016 summary order denying PivotPoint's application for investment adviser registration in Wisconsin is final by operation of law, pursuant to Wis. Stat. §§ 551.412(6) and 551.604(2).

3. IT IS FURTHER ORDERED that the September 28, 2016 summary order against the Respondents to cease and desist from making or causing to be made to any person or

entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Ch. 551 or successor statute, is final by operation of law, pursuant to Wis. Stat. §§ 551.412(6) and 551.604(2).

4. IT IS FURTHER ORDERED that the September 28, 2016 summary order revoking all exemptions from registration set forth in Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by any of the Respondents, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any Respondents, pursuant to Wis. Stat. § 551.604(1)(b), is final by operation of law, pursuant to Wis. Stat. §§ 551.412(6) and 551.604(2).

5. IT IS FURTHER ORDERED that the September 28, 2016 summary order prohibiting the Respondents from violating Ch. 551 or successor statute that might otherwise apply to any offer or sale of a security of or by RESPONDENTS, is final by operation of law, pursuant to Wis. Stat. §§ 551.412(6) and 551.604(2).

6. IT IS FURTHER ORDERED that the September 28, 2016 proposed order of restitution against the Respondents jointly and severally for the amount of $1,174.65 and interest upon such amount at the legal rate under Wis. Stat. §138.04, $5 upon the $100 for one year, starting from January 1, 2016 and through the date of satisfaction, to be paid to each client who paid an investment advisory fee to PivotPoint and Norquay while neither were registered as an investment adviser or investment adviser representative respectively, under Ch. 551, is final by operation of law, pursuant to Wis. Stat. §§ 551.412(6) and 551.604(2).

7. IT IS FURTHER ORDERED that the September 28, 2016 proposed order requiring Respondents to resolve their civil liabilities under Wis. Stat. § 551.509 resulting from acting as an unregistered investment adviser and investment adviser representative as described in this Order prior to filing an application for registration with the Division in any capacity, is final by operation of law, pursuant to Wis. Stat. §§ 551.412(6) and 551.604(2).

C. Service of order.

8. IT IS FURTHER ORDERED that this order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code § DFI-Sec 8.06.

9. PLEASE TAKE NOTICE that the date of the service of this order is the date it is placed in the mail. You are advised that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

D. Notice of civil contempt and penalty for non-compliance with order.

10. PLEASE TAKE FURTHER NOTICE that if a person does not comply with an order, the Administrator may petition a court of competent jurisdiction to enforce the order, pursuant to Wis. Stat. § 551.604(7). The court may not require the Administrator to post bond in an action or proceeding under this section. If the court finds, after service and opportunity for hearing, that the person was not in compliance with the order, the court

may adjudge the person in civil contempt of the order. The court may impose a further civil penalty against the person for contempt in an amount not less than $5,000 but not greater than $100,000 for each violation and may grant any other relief the court determines is just and proper in the circumstances.

E. Notice of petition for rehearing and judicial review rights.

11. PLEASE TAKE FURTHER NOTICE that any of the parties have the right to petition for rehearing and judicial review of adverse decisions, pursuant to Wis. Stat. § 227.48. A final order issued by the Administration under Ch. 551 is subject to judicial review in accordance with Ch. 227, but administrative enforcement orders entered without hearing may be reviewed only if the party seeking review has requested a hearing within the time provided by Wis. Stat. § 551.604(2), pursuant to Wis. Stat. § 551.609.

F. Notice of right to petition for rehearing.

12. PLEASE TAKE FURTHER NOTICE that a person aggrieved by this order has a right to petition the Administrator for rehearing within 20 days of mailing this decision, pursuant to Wis. Stat. § 227.49. The petition for rehearing must be filed with the Administrator and served on the parties. An appeal of this order may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing. If this order is denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

G. Notice of right to petition for judicial review and identification of the party to be named as respondent.

13. PLEASE TAKE FURTHER NOTICE that a person aggrieved by this order has a right to petition for judicial review, pursuant to Wis. Stat. § 227.53. The petition must be filed in circuit court and served upon the Administrator within 30 days of mailing this order if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of mailing the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an untimely petition for rehearing is filed, the 30 day period to petition for judicial review commences the date the Administrator mailed its original order. The Administrator must be named as respondent in the petition for judicial review.

H. Notice of names and address of the parties to the proceeding for purposes of judicial review.

14. PLEASE TAKE FURTHER NOTICE that the names and addresses of the parties to the proceeding for purposes of judicial review, pursuant to Wis. Stat. § 227.47(1) are as follows:

PivotPoint Advisors, LLC and
John M. Norquay

3133 Peachtree Street
Janesville, Wisconsin 53548

State of Wisconsin
Department of Financial Institutions
Division of Securities, Administrator
201 West Washington Ave, Suite 300
Madison, Wisconsin 53703

EXECUTED at Madison, Wisconsin, this 8th day of November, 2016.

(SEAL)

Leslie M. Van Buskirk

Leslie M. Van Buskirk
Administrator
Division of Securities

State of Wisconsin
Department of Financial Institutions
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703

State of Wisconsin

Department of Financial Institutions

Scott Walker, **Governor** | Lon E. Roberts, **Secretary**

AFFIDAVIT OF SERVICE

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, JAKI WELTER, first being duly sworn, depose and state:

1. I am employed as a state civil service employee with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be deposited in the U.S. mail: (1) the Administrator's order (attached); and (2) a copy of this Affidavit of Service, to be served by certified mail upon the subject of the order at the subject's last known address; and I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities, pursuant to Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07.

3. On the date of this Affidavit and in the course of regularly conducted activity, I have also caused a copy of the Administrator's order and this Affidavit of Service to be posted on the Division of Securities' Administrative Orders section of the State of Wisconsin, Department of Financial Institution's website, www.wdfi.org/newsroom/admin_orders/dos_default.htm.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Jaki Welter
JAKI WELTER

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me
This 8 day of November, 2016.

Lindsay Fedler
Lindsay Fedler
Notary Public, State of Wisconsin
My commission is permanent.

(Notary Seal)

LINDSAY FEDLER NOTARY PUBLIC STATE OF WISCONSIN

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of PIVOTPOINT ADVISORS, LLC, and JOHN M. NORQUAY Respondents.	SUMMARY ORDER TO CEASE AND DESIST, DENYING APPLICATION FOR INVESTMENT ADVISER REGISTRATION AND IMPOSING DISGORGEMENT AND INTEREST DFI Case No. S-235546 (LX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities ("Division"), having legal authority and jurisdiction to administer and enforce Wis. Stats. Ch. 551, the Wisconsin Uniform Securities Law ("Ch. 551"), and Wis. Admin. Code DFI-Sec Ch. 5, deems it necessary and appropriate in the public interest and for the protection of investors, to issue the following:

II.

After an investigation, the Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of fact.

Respondents

1. Pivotpoint Advisors, LLC ("PivotPoint") (CRD #137647) is a limited liability company organized in Wisconsin on October 3, 2005 to operate as an investment adviser in Wisconsin. PivotPoint has a last known business address of 3133 Peachtree Street, Janesville, Wisconsin 53548. At all times material, PivotPoint has been solely owned and controlled by John Norquay.

2. John M. Norquay ("Norquay") (CRD# 2200429) is an adult male resident of Wisconsin, with a last known business address of 3133 Peachtree Street, Janesville, Wisconsin 53548.

Conduct

3. On June 3, 2015 the Division issued a Summary Cease and Desist Order against PivotPoint and Norquay (DFI Case No. S-228781 (EX)) for dishonest and unethical conduct, including the sale of an unregistered promissory note, omitting material facts in

connection with the sale of a promissory note, and violations of various other sections of the Wisconsin Securities Administrative code pertaining to investment advisers. The terms of the order suspended the investment adviser and investment adviser representative registrations of the firm and Norquay, and required Norquay to pay restitution in the amount of $2,521.

4. On November 12, 2015 PivotPoint was invoiced for 2016 renewal fees by FINRA with a payment due date of December 18, 2015.

5. On December 2, 2015, PivotPoint and Norquay signed an order amending the June 3, 2015 order. Per the terms of the amended order, PivotPoint and Norquay consented to a 30 day suspension (commencing January 15, 2016) of their respective investment adviser and investment adviser representative registrations with the Wisconsin Division of Securities, and agreed to pay $2,521 in restitution.

6. As of January 1, 2016 PivotPoint and Norquay failed to renew the firm's investment adviser registration and Norquay's investment adviser representative registration under the firm, as required by Wis. Stats. § 551.506.

7. From January 1, 2016 to February 24, 2016 PivotPoint, and Norquay continued to charge the firm's clients investment advisory fees, despite the fact that at that time neither the firm nor Norquay were registered as an investment adviser or investment adviser representative respectively.

8. On or about February 17, 2016 the Division received a voicemail message from Norquay inquiring about how to renew his firm's investment adviser registration.

9. On February 18, 2016 the Division responded to Norquay's voicemail message renewal question with an e-mail indicating his firm would need to reapply on the IARD system subject to the provisions of Ch. 551 and Wis. Admin. Code DFI-Sec Ch. 5.

10. On March 8, 2016 PivotPoint applied for registration as an investment adviser firm in Wisconsin. The initial application listed Norquay as the regulatory contact person.

11. On March 8, 2016, Division staff sent a letter via email to Norquay and PivotPoint, informing Norquay that PivotPoint would need to complete its application by September 4, 2016, per Wis. Admin. Code § DFI-Sec 5.01(6), and if the firm failed to complete its application by this time, the Division staff would recommend that the Administrator issue an order denying its application.

12. On March 9, 2016 the Division requested Norquay file an initial Form U-4 as part of PivorPoint's filing process. An initial U-4 disclosure form was filed.

13. On March 29, 2016 the Division sent an email to Norquay and PivotPoint that notified them that they would need to immediately refund fees charged to clients while unregistered, as set forth in ¶¶ 5-7. The Division required a response in writing from Norquay by no later than April 29, 2016. Norquay did not respond by the deadline. Upon information and belief, these fees were never refunded to investment adviser clients.

14. On May 27, 2016 the Wisconsin Office of the Commissioner of Insurance ("OCI") issued a final order regarding Norquay's insurance license and activities (See OCI Case No. 13-C35601). The final order suspended Norquay's insurance license for two (2) years and included a fine of $2,500. Norquay did not amend his Form U-4 within 30 days to disclose OCI's final order.

15. On June 16, 2016, Division staff sent an email to Norquay and PivotPoint which requested that Norquay provide an explanation of the OCI proceeding and final order, and that Norquay amend his Form U-4 to reflect the final order. No explanation was provided by Norquay, nor was his Form U-4 updated.

16. On July 12, 2016 the Division requested Norquay respond to the Division's June 16, 2016 email request and again to update his Form U-4 disclosures. Norquay again failed to respond or update his Form U-4.

17. On July 21, 2016, Division staff sent Norquay and PivotPoint an additional email requesting that Norquay update his form U-4 disclosures. Norquay responded via email that he would "take care of it in the next couple of days." However, Norquay again failed to update his Form U-4.

18. As of the date this Order is issued, Norquay's Form U-4 has never been amended to reflect the final decision of OCI suspending his insurance license for two years and imposing a fine of $2,500.

B. Conclusions of law.

<u>Legal Authority and Jurisdiction</u>

19. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Ch. 551, and Wis. Admin. Code Ch. 5 DFI-Sec.

20. Wis. Stat. § 551.403(1) makes it unlawful for a person to transact business in Wisconsin as an investment adviser unless the person is registered under Ch. 551 as an investment adviser or is exempt from registration as an investment adviser under Wis. Stat. § 551.403(2).

21. Wis. Stat. § 551.404, makes it unlawful for an individual to transact business in Wisconsin as an investment adviser representative unless the individual is registered under Ch. 551 as an investment adviser representative or is exempt from registration as an investment adviser representative.

22. Wis. Stat. § 551.412(1) authorizes the Administrator to issue an order denying an application to an investment adviser and/or investment adviser representative if the order is in the public interest and authorized under Wis. Stat. § 551.412(4).

23. Wis. Stat. § 551.412(4)(a) authorizes the Administrator to issue an order disciplining an applicant who has filed an application for registration in Wisconsin under Ch. 551 or the predecessor act within the previous 10 years which, as of the effective date of registration or as of any date after filing in the case or an order denying effectiveness, was incomplete in any material respect or contained a statement that, in light of the circumstances under which it was made, was false or misleading with respect to a material fact.

24. Wis. Admin. Code § DFI-Sec. 5.01 requires investment advisers applying for registration in Wisconsin to file a registration application which includes all information required by the form prescribed by the Division, any additional information required by the Division, and all required fee.

25. Wis. Admin. Code § DFI-Sec. 5.01(6) states that any application for registration which is not completed or withdrawn within 6 months from the date it is initially received may be

deemed materially incomplete under Wis. Stat. § 551.412(4)(a) and authorizes the Division to issue an order denying effectiveness to the application.

Violations

26. As the result of the conduct described above, PivotPint violated Wis. Stat. § 551.403(1), when it transacted business in Wisconsin as an investment adviser without being registered or exempted from registration with the Division.

27. As a result of the conduct described above, Norquay violated Wis. Stat. § 551.404(1) when he transacted business in Wisconsin as an investment adviser representative without being registered or exempted from registration with the Division.

28. As the result of the conduct described above, Respondents violated Wis. Stat. § 551.412(4)(a) and Wis. Admin. Code § DFI-Sec. 5.01 by failing to complete the application for investment adviser registration within 6 months after it was initially received by the Division.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stats. §§ 551.412 and 551.604, and Wis. Admin. Code §§ DFI-Sec. 5.01(6) and 5.09, to issue the following orders and notices:

A. Summary orders issued pursuant to Wis. Stats. §§ 551.412 and 551.604(2).

IT IS ORDERED summarily that PivotPoint's application for investment adviser registration in Wisconsin is hereby denied, pursuant to Wis. Stat. § 551.412(4)(a) and § DFI-Sec. 5.01(6).

IT IS FURTHER ORDERED summarily that RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Ch. 551 or successor statute, pursuant to Wis. Stat. § 551.604(1)(a).

IT IS FURTHER ORDERED summarily that all exemptions from registration set forth at Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by any of the RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, are hereby revoked, pursuant to Wis. Stat. § 551.604(1)(b).

IT IS FURTHER ORDERED summarily that RESPONDENTS, their successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of either RESPONDENT, are prohibited from violating Ch. 551 or successor statute that might otherwise apply to any offer or sale of a security of or by RESPONDENTS.

PLEASE TAKE NOTICE that the above summary orders are effective on the date of issuance, pursuant to Wis. Stat. § 551.604(2).

B. Notice of Proposed Orders.

IT IS PROPOSED that an order be issued against RESPONDENTS jointly and severally to pay restitution in the amount of $1,174.65 and interest upon such amount at the legal rate under Wis. Stat. §138.04, $5 upon the $100 for one year, starting from January 1, 2016 and through the date of satisfaction, to all clients who paid an investment advisory fee to PivotPoint and Norquay while neither were registered as an investment adviser or investment adviser representative respectively, under Ch. 551, and thus suffered a loss as a result of a violation pursuant to Wis. Stat. § 551.604(4m).

IT IS FURTHER PROPOSED that an order be issued requiring the RESPONDENTS to resolve their civil liabilities under Wis. Stat. § 551.509 resulting from acting as an unregistered investment adviser and investment adviser representative as described in this Order prior to filing an application for registration with the Division in any capacity.

C. Service of order.

IT IS FURTHER ORDERED that this order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code § DFI-Sec 8.06.

PLEASE TAKE NOTICE that the date of the service of this order is the date it is placed in the mail. You are advised that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

D. Notice of Hearing Rights

PLEAE TAKE NOTICE that you have the right to request a hearing. Every request for a hearing shall be in the form of a petition filed with the Division, pursuant to Wis. Admin. Code § DFI-Sec 8.01. A petition for a hearing to review an order shall:

(1) Plainly admit or deny each specific allegation, finding or conclusion in the order and incorporated papers. However, if the petitioner lacks sufficient knowledge or information to permit an admission or denial, the petition shall so state, and that statement shall have the effect of a denial; and

(2) State all affirmative defenses. Affirmative defenses not raised in the request for hearing may be deemed waived.

PLEASE TAKE FURTHER NOTICE that, within 15 days after receipt of a request in a record from you, the matter will be scheduled for a hearing, pursuant to Wis. Stats. §§ 551.604(2) and (3).

PLEASE TAKE FURTHER NOTICE that if you do not request a hearing and none is ordered by the Administrator within 30 days after the date of service of this order, the findings of fact, conclusions of law, and summary and proposed orders, including the imposition of a civil penalty or requirement for payment of restitution, disgorgement, interest, or the costs of investigation sought in a statement in the order, becomes final by operation of law, pursuant to Wis. Stat. § 551.604(2).

EXECUTED at Madison, Wisconsin, this 28th day of September, 2016.

(SEAL)

Leslie M. Van Buskirk

Leslie M. Van Buskirk
Administrator
Division of Securities

State of Wisconsin
Department of Financial Institutions
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703