

1 STATE OF ALASKA
2 DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
3 DIVISION OF BANKING AND SECURITIES
4

5 IN THE MATTER OF:)
6 JAMES THOMAS GONSKI individually) **ORDER NO. 13-1246-S**
and dba VALLEY FINANCIAL) **ORDER TO CEASE AND DESIST,**
7 SERVICES) **ASSESSING CIVIL PENALTIES**
8 Respondent.) **AND**
9) **CONSENT TO ORDER**
10

11 The Director of the Department of Commerce, Community, and Economic
12 Development, Division of Banking and Securities (“Administrator”), has conducted an
13 investigation into certain business activities of James Thomas Gonski dba Valley Financial
14 Services (“Valley Financial”), and has determined that Respondent violated certain
15 provisions of the Alaska Securities Act, Alaska Statute (AS) 45.55.

16 Respondent agrees that the Administrator has jurisdiction over Respondent and these
17 matters pursuant to the Alaska Securities Act.

18 Respondent wishes to resolve and settle this matter with the Administrator. As
19 evidenced by the authorized signature on this Order, Respondent consents to the entry of this
20 Order assessing civil penalties based on the Conclusions of Law and Order. Respondent
21 waives his right of appeal under AS 45.55.920(d).

22 **I. FACTS**

- 23 1. Valley Financial is a sole proprietorship owned by James Thomas Gonski.
24 2. Valley Financial has a mailing address at P.O. Box 2588, Palmer, Alaska, 99645,

1 and a physical address at 9661 E. Ortner Loop, Palmer, Alaska, 99645.

2 3. Valley Financial, CRD number 116980, was approved as a State Investment Adviser
3 on May 14, 2002 in Alaska and is currently registered.

4 4. On October 10, 2012, the Administrator conducted an investment adviser exam on
5 Valley Financial. During the exam, Mr. Gonski disclosed that he had applied for a financial
6 planner position at MHN Government Services, Inc. (“MHN”) in 2010. Mr. Gonski went on to
7 state that he was not hired for that position because MHN did not believe that the Master of
8 Science in Financial Services degree that he obtained from the American College in Bryn
9 Mawr, Pennsylvania in 1993 was equivalent to a CFP, which was a requirement for the
10 position. Mr. Gonski stated to the Administrator that he disagreed with MHN’s statement
11 because American College had assured him that his degree was at least equivalent to a CFP,
12 and probably superior to it.

13 5. On December 6, 2010, Mr. Gonski updated Valley Financial’s ADV Part 1B, Item 2.
14 Section J(2)(a) asks “Do you have any investment advisory professional designations? *If ‘no’*,
15 *you do not need to answer Item 2.J(2)(b).*” In response to this question, Mr. Gonski filled in the
16 “Yes” option. Next, Section J(2)(b) stated “I have earned and I am in good standing with the
17 organization that issued the following credential.” In response to this statement, Mr. Gonski
18 checked the box identifying himself as a CFP. Mr. Gonski had not identified himself as a CFP
19 in any of his previous ADV updates.

20 6. The Administrator contacted the Certified Financial Planner Board of Standards, Inc.
21 (“CFP Board”) in Washington, DC regarding whether Mr. Gonski was a CFP, and if a Masters
22 of Science in Financial Services is equivalent to a CFP. The CFP Board representative said that
23 Mr. Gonski had never been a CFP, and that his degree was not equivalent to a CFP. The
24 representative explained that there are very strict requirements to become a CFP including

1 passing a 10 hour exam, furnishing proof of work experience, and undergoing an extensive
2 background check.

3 7. On August 5, 2013, the Administrator received information from MHN that Mr.
4 Gonski misrepresented himself as a CFP in his application to provide financial services to them
5 in 2010.

6 8. During its continued review of Valley Financial, the Administrator also found that
7 Mr. Gonski had not updated Valley Financial's Form ADV Part 1 since December 6, 2010, and
8 had not amended and updated its ADV Part 2 (Part 2A the brochure, and Part 2B the brochure-
9 supplement) in compliance with amendments adopted by the Securities and Exchange
10 Commission on July 28, 2010 requiring advisers to include in their next annual updating
11 amendment a brochure meeting the requirements of the new Form ADV Part 2.

12 9. On October 30, 2013, the Administrator sent a letter to Mr. Gonski that stated that he
13 was improperly identifying himself as a CFP, and that Valley Financial's ADV had not been
14 updated for a number of years.

15 10. On November 1, 2013, Mr. Gonski updated Valley Financial's ADV Part 1 and 2,
16 and changed ADV Part 1B, Item 2, Section J(2)(b) to no longer identify himself as a CFP.

17 **II. CONCLUSIONS OF LAW**

18 1. Mr. Gonski misrepresented himself as a CFP in violation of AS 45.55.023(a)(8)
19 which is a dishonest and unethical practice and grounds to revoke or suspend his registration
20 pursuant to AS 45.55.060(a)(7).

21 2. Mr. Gonski violated 3 AAC 08.040(a)(13) because he did not correct Valley
22 Financial's ADV Part 1 from December 10, 2010 to November 1, 2013, and did not amend and
23 update its ADV Part 2 until November 1, 2013.

24 3. Mr. Gonski is subject to a civil penalty pursuant to AS 45.55.920(b).

III. ORDER

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The Administrator, pursuant to AS 45.55.920 hereby ORDERS James Thomas Gonski Db
Valley Financial Services to:

1. CEASE AND DESIST from misrepresenting James Thomas Gonski as a CFP.
2. Update its ADV promptly and no less than once per year.
3. Provide a copy of this Order to all active clients and to any potential clients to

whom he communicated this misrepresentation. The Order must be accompanied by a letter
that explains the circumstances surrounding Mr. Gonski's claim of being a CFP. The contents
of the letter must be pre-approved by the Administrator before it is sent to clients. Copies of
the letters sent to clients shall be filed with the Administrator.

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1 Alaska Securities Act, and that I will fully comply with the terms and conditions stated
2 herein.

3 I understand that this Order is a public document.

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5 DATED: 12/10/13 /s/ James Thomas Gonski
Valley Financial Services

6
7 By: James Thomas Gonski
Title: Owner

8 SUBSCRIBED AND SWORN TO before me this 10th day of December, 2013 at
9 Palmer, Alaska.

10 /s/ Vlad Baklanov
Notary Public in and for Alaska

11
12 Vlad Baklanov
Notary Printed Name
13 My commission expires: 12/01/2015

14 Contact Person:
15 David Newman
16 Securities Examiner
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