

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES

In the matter of:)
)
)
Sage Financial, LLC;)
Matthew A. McLaren, dba Sage)
Financial, a sole proprietorship;)
Matthew A. McLaren; and)
James E. Livingston)
)
)
Respondents.)
_____)

ORDER NO: 11-724-S
CEASE AND DESIST, IMPOSING
PERMANENT BAR, DENYING USE OF
EXEMPTIONS, ASSESSING A CIVIL
PENALTY AND
CONSENT TO ORDER

The Director of the Department of Commerce, Community, and Economic
Development, Division of Banking and Securities (the "Administrator"), has conducted an
investigation into certain business activities of Sage Financial, LLC ("Sage LLC"), Matthew
A. McLaren dba Sage Financial, a sole proprietorship ("Sage"), Matthew A. McLaren,
individually ("McLaren"), and James E. Livingston ("Livingston") collectively
"Respondents", and has determined that the Respondents violated certain provisions of AS
45.55 (the "Alaska Securities Act") by acting as unregistered state investment advisers and
unregistered investment adviser representatives.

Respondents agree that the Administrator has jurisdiction over the Respondents and
these matters pursuant to the Alaska Securities Act.

Respondents wish to resolve and settle this matter with the Administrator. As
evidenced by the authorized signatures on this Order, Respondents consent to the entry of
this Order imposing a permanent bar, denying use of exemptions and imposing a civil
penalty based on the Conclusions of Law and Order. Each Respondent waives its right of
appeal under AS 45.55.920(d).

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I. FINDINGS OF FACT

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2 1. Sage LLC was a limited liability company organized under the laws of the State of
3 Nevada on April 14, 2005, with its principal place of business as 190 E. Mesquite Blvd, #H,
4 Mesquite, Nevada. Sage LLC was dissolved on April 30, 2011.

5 2. The Central Registration Depository (CRD) and the Investment Adviser Registration
6 Depository (IARD) are national databases that the securities industry and state regulators,
7 including the Administrator, use as the repository for filing and review of registration and
8 other documents required for registration and notice purposes. There is no registration
9 information for Sage LLC as an investment adviser in the IARD.

10 3. McLaren was a manager and co-owner of Sage LLC. McLaren was previously
11 employed from 2001 through 2003 as a registered sales representative for a broker-dealer in
12 Nevada. McLaren's CRD number is 4429089.

13 4. Livingston was a manager and co-owner of Sage LLC. Livingston currently resides
14 in Texas. Livingston is not registered in CRD.

15 5. Between April 2005 and January 2011, Sage LLC, McLaren and Livingston operated as
16 an investment advisory business, solicited and opened accounts for individuals in Alaska and
17 other states, provided investment advisory services by recommending investments to clients
18 including private placement securities ("Reg D securities"), and were paid commissions.

19 6. Between April 2005 and January 2011, McLaren and Livingston performed duties as
20 investment adviser representatives with clients that opened accounts with Sage LLC.

21 7. Between January 12, 2008 and January 13, 2011, Sage LLC, McLaren and Livingston
22 operated a publicly-available website at www.sagefinancial-llc.com. Several pages of the
23 website contained information about services offered by Sage LLC, including Retirement
24 Planning, Estate Planning, Investment Advice, and offering investments in Reg D securities.

1 Sage LLC stated on its website that it was regulated by the state securities division and the
2 SEC. Its website did not contain a listing of states where Sage LLC was authorized to conduct
3 business and Alaska residents could access the information.

4 8. McLaren relocated from Nevada to the state of Alaska in June 2010 and resided at
5 9047 N. Tongass, Ketchikan, AK 99901. McLaren remains a resident of Alaska.

6 9. On September 1, 2010, Sage received a business license from the Alaska Division of
7 Corporation, Business and Professional Licensing listing a mailing and physical address of
8 9047 N. Tongass, Ketchikan, AK 99901. McLaren was listed as owner and sole proprietor.

9 10. On January 13, 2011, the State of Nevada Securities Division issued a Summary
10 Order to Cease and Desist (order number i10-100 blm) against Sage LLC, McLaren and
11 Livingston for violations of Nevada securities laws. On May 17, 2011, the State of Nevada
12 Securities Division issued a Final Permanent Order to Cease and Desist against Sage LLC,
13 McLaren and Livingston for violations of Nevada securities laws, including acting as an
14 unregistered investment adviser and unregistered investment adviser representatives.

15 11. After receiving an Alaska business license for Sage in September 2010, McLaren
16 operated Sage at 9047 N. Tongass, Ketchikan, AK and then opened an office for Sage
17 located at 1621 Tongass Avenue, Ketchikan, Alaska 99901, and continued to operate Sage
18 from the business location between November 2010 and February 2011.

19 12. There is no registration information for Sage as an investment adviser in the IARD.

20 13. McLaren did not register in IARD as an investment adviser representative of Sage.

21 14. From September 2010 through February 2011, McLaren through Sage conducted
22 activities as an investment advisor for previous clients of Sage LLC, and continued to earn
23 compensation for his investment adviser and investment adviser representative activities.

24 //

1 **III. CONCLUSIONS OF LAW**

2 1. By soliciting Alaska residents, performing investment advisory services and receiving
3 compensation, Sage LLC was acting as an investment adviser under AS 45.55.990(34).

4 2. Sage LLC was an unregistered investment adviser located in the state of Nevada and
5 conducted investment advisory business in Alaska without registration as an investment
6 adviser under AS 45.55.030.

7 3. McLaren and Livingston operated Sage LLC and performed duties of an investment
8 adviser representative under AS 45.55.990(15).

9 4. McLaren and Livingston failed to register with the Administrator under AS 45.55.030
10 and were unregistered investment adviser representatives for Sage LLC.

11 5. By continuing to provide investment advisory services and earning compensation,
12 Sage was acting as an investment adviser under AS 45.55.990(34).

13 6. Sage failed to register with the Administrator under AS 45.55.030 and was an
14 unregistered investment adviser located in Alaska.

15 7. McLaren acted as an investment adviser representative under AS 45.55.990(15) by
16 continuing to render advice to clients and manage accounts of clients for Sage.

17 8. McLaren failed to register with the Administrator under AS 45.55.030 and was an
18 unregistered investment adviser representative for Sage located in Alaska.

19 **IV. ORDER**

20 Pursuant to AS 45.55.920, and on the basis of the Findings of Fact, Conclusions of Law and
21 Respondents' consent to the entry of this Order, the Administrator ORDERS:

22 1. Respondents shall cease and desist from acting as an investment adviser or
23 investment adviser representative.

24 2. Respondents shall not apply for registration as an issuer agent, broker-dealer, broker-

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1 dealer agent, investment adviser, or investment adviser representative in the State of Alaska.

2 3. Neither McLaren nor Livingston shall apply to serve as an officer, director, or

3 manager of a broker-dealer firm or investment adviser firm registered or operating in the

4 State of Alaska.

5 4. Respondents shall not issue interests in a mutual fund, money market fund, pooled-

6 investment or similar securities and investment vehicles that are offered or sold in the State

7 of Alaska.

8 5. Respondents are barred from use of exemptions listed in AS 45.55.900 pursuant to

9 AS 45.55.900(d).

10 6. Respondents shall not apply for licensure as a loan originator, mortgage broker,

11 money transmitter or delegate, or deferred deposit (Pay Day) lender or representative in the

12 State of Alaska.

13 7. Respondents are jointly and severally ordered to pay a civil penalty under AS

14 45.55.920(b) in the amount of seven thousand five hundred dollars (\$7,500), with all

15 amounts suspended for a period of five (5) years from the date the Order is executed. If any

16 Respondent fails to comply with any terms or conditions of this Order during the five (5)

17 year period, the suspended portion of the civil penalty will be immediately due.

18 **IT IS SO ORDERED.**

19 **SUSAN BELL, Commissioner**
Department of Commerce, Community and Economic Development

22 March 25, 2014

23 Date

/s/ Kevin Anselm

Kevin Anselm, Director

Division of Banking and Securities

1 Consent to Entry of Order
2 (for Sage Financial, LLC, Matthew A. McLaren dba Sage Financial
and Matthew A. McLaren, Individually)

3 I, Matthew McLaren, collectively enter into this Order in the capacity as the
4 authorized representative of Sage Financial, LLC, owner of Sage Financial, a sole
5 proprietorship, and as an individual acknowledge that I have read the foregoing Order and
6 that I know and fully understand the Order contents; that I have had the opportunity to be
7 represented by counsel in this matter; that I acknowledge violations of the Alaska Securities
8 Act; that I have been advised of the right to a hearing; that I voluntarily and without any
9 force or duress, consent to the entry of this Order, expressly waiving any right to a hearing in
10 this matter; that I understand that the Administrator reserves the right to take further action to
11 enforce this Order or to take appropriate action upon discovery of other violations of the
12 Alaska Securities Act, and that I will fully comply with the terms and conditions stated
13 herein.

14 I further assure the Administrator that Sage Financial, LLC and its members, officers,
15 employees and agents will fully comply with the terms of this Order, the Alaska Securities
16 Act (AS 45.55) and regulations (3 AAC 08).

17 I understand that this Consent Order is a public document.

18 03/05/14
Date

/s/ Matthew McLaren
Matthew McLaren, as representative for
Sage Financial, LLC, Sage Financial, a
sole proprietorship, and individually

20 SUBSCRIBED AND SWORN TO before me this 5th day of March, 2014 at Ketchikan,
Alaska.

21 /s/ Michelle Amundson
22 Notary Public in and for Alaska
Michelle Amundson
23 Notary Printed Name
24 My commission expires: 05/16/2017

Consent to Entry of Order
(for James Livingston)

I, James Livingston, acknowledge that I have read the foregoing Order and that I know and fully understand the Order contents; that I have had the opportunity to be represented by counsel in this matter; that I acknowledge violating the Alaska Securities Act; that I have been advised of the right to a hearing; that I voluntarily and without any force or duress, consent to the entry of this Order, expressly waiving any right to a hearing in this matter; that I understand that the Administrator reserves the right to take further action to enforce this Order or to take appropriate action upon discovery of other violations of the Alaska Securities Act, and that I will fully comply with the terms and conditions stated herein.

I will fully comply with the terms of this Order, the Alaska Securities Act (AS 45.55) and regulations (3 AAC 08).

I understand that this Consent Order is a public document.

03/18/14 /s/ James Livingston
Date James Livingston, Individually

SUBSCRIBED AND SWORN TO before me this 28th day of March, 2014 at 7:31 am, Harris
County.

/s/ Candice Burnett
Notary Public in and for Texas
Candice Burnett
Notary Printed Name
My commission expires: June 13, 2015

Contact Person:
Roger W. Prince
Securities Examiner
(907) 269-8144

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