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

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

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

I. FACTS

1. Valley Financial is a sole proprietorship owned by James Thomas Gonski.

2. Valley Financial has a mailing address at P.O. Box 2588, Palmer, Alaska, 99645,
3. Valley Financial, CRD number 116980, was approved as a State Investment Adviser on May 14, 2002 in Alaska and is currently registered.

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

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

6. The Administrator contacted the Certified Financial Planner Board of Standards, Inc. (“CFP Board”) in Washington, DC regarding whether Mr. Gonski was a CFP, and if a Masters of Science in Financial Services is equivalent to a CFP. The CFP Board representative said that Mr. Gonski had never been a CFP, and that his degree was not equivalent to a CFP. The representative explained that there are very strict requirements to become a CFP including...
passing a 10 hour exam, furnishing proof of work experience, and undergoing an extensive background check.

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

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

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

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

II. CONCLUSIONS OF LAW

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

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

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

The Administrator, pursuant to AS 45.55.920 hereby ORDERS James Thomas Gonski Dba 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.
4. Pay a civil penalty under AS 45.55.920(b) in the amount of twelve thousand five hundred dollars ($12,500.00), with five thousand dollars ($5,000.00) suspended for a period of five (5) years. If James Thomas Gonski dba Valley Financial Services fails to comply with any term or condition of this Consent Order, or if he commits any violation of the Alaska Securities Act, the suspended portion of the civil penalty will be immediately due and his registration may be suspended or revoked.

IT IS SO ORDERED.

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

DATED: December 11, 2013 /s/ Kevin Anselm
BY: Kevin Anselm, Acting Director
Division of Banking and Securities

Consent to Entry of Order

I, James Thomas Gonski, state that I do business as Valley Financial Services, that I am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand the Order contents; that I acknowledge violation of 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 actions to enforce this Order or to take appropriate action upon discovery of other violations of the

1 $2,500 for each year that Mr. Gonski claimed to be a CFP on Valley Financial’s ADV from 2010-2013, plus $2,500 because he did not correct Valley Financial’s ADV Part 1 from December 10, 2010 to November 1, 2013, and did not amend and update its ADV Part 2 until November 1, 2013.
Alaska Securities Act, and that I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

DATED: 12/10/13 /s/ James Thomas Gonski
Valley Financial Services
By: James Thomas Gonski
Title: Owner

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

/s/ Vlad Baklanov
Notary Public in and for Alaska

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

Contact Person:
David Newman
Securities Examiner
(907) 269-7678