

JOHN MORGAN  
SECURITIES COMMISSIONER

TRAVIS ILES  
DEPUTY SECURITIES COMMISSIONER

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## Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
www.ssb.texas.gov

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MEMBER

IN THE MATTER OF THE  
INVESTMENT ADVISER  
REPRESENTATIVE REGISTRATION  
AND THE AGENT REGISTRATION  
OF MARIE P. GOFORTH

§  
§  
§  
§  
§

Order No. REG17-SUS-04

TO: Marie P. Goforth (CRD # 1114498)  
Capital Financial Services, Inc.  
#1 North Main Street  
Minot, ND 58703

Capital Financial Services, Inc. (CRD #8408)  
John R. Carlson, Compliance Director  
#1 North Main Street  
Minot, ND 58703

### DISCIPLINARY ORDER

Be it remembered that Capital Financial Services, Inc. ("Capital") and Marie P. Goforth ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order") and the Findings of Fact and the Conclusions of Law contained herein.

### FINDINGS OF FACT

1. Respondent has waived (a) Respondent's right to notice and hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to the Respondent by The Securities Act, Tex. Rev. Civ. Stat. Ann. arts. 581-1 to 581-44 (West 2010 & Supp. 2016)("Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001 to 2001.902 (West 2008 & Supp. 2016)("Administrative Procedure Act").

2. From September 8, 2009 to August 9, 2016 Respondent was registered with the Securities Commissioner as an investment adviser representative and an agent of LPL Financial LLC ("LPL").
3. On January 9, 2017 Respondent applied for Registration with the Securities Commissioner as an investment adviser representative and agent for Capital Financial Services, Inc. ("Capital").

#### **Violation of Firm's Procedures**

4. While registered with LPL, Respondent maintained numerous blank forms signed by Respondent's clients in client files.
5. LPL's written supervisory procedures prohibited its investment adviser representatives and agents from maintaining blank forms signed by clients.
6. Furthermore, while registered with LPL Respondent reused a form signed by a client for two (2) third-party check requests.
7. LPL's written supervisory procedures prohibited re-using a client signature page or form to execute multiple transactions.
8. On August 9, 2016, LPL reported that Respondent was terminated for violation of the firm's document signature policy.

#### **CONCLUSIONS OF LAW**

1. Respondent's retention of blank signed client forms and the use of an old client signature were in violation of LPL's written supervisory procedures and constitute inequitable practice in the sale of securities.
2. Respondent's retention of blank signed client forms and the use of an old client signature were in violation of LPL's written supervisory procedures and constitute inequitable practice in rendering services as an investment adviser.
3. Pursuant to Section 14.A(3) of the Texas Securities Act, the foregoing inequitable practices in the sale of securities and the rendering services as an investment adviser constitute a bases for the issuance of an order suspending the registrations of the Respondent.

#### **UNDERTAKING**

1. Respondent and Capital undertake and agree that so long as Respondent is registered with the Securities Commissioner as an investment adviser

representative and/or agent of Capital, Respondent will not maintain blank signed client forms.

2. Respondent and Capital further undertake and agree that, within a one year period from the date of this Order and Undertaking, Capital will perform two unannounced reviews of all client files of Respondent for blank signature forms.
3. Respondent and Capital further undertake and agree to provide the legal counsel of the Inspections & Compliance Division of the Texas State Securities Board ("Counsel") with a report detailing the findings of each unannounced review referenced in the previous paragraph, within ten (10) business days of each unannounced review.
4. Respondent and Capital further undertake and agree that, for a period of one year from the date of this Order and Undertaking, all client forms submitted for processing by Respondent will be reviewed by a supervisor.
5. Respondent and Capital further undertake and agree that, for a period of five (5) years from the date of this Order and Undertaking, Respondent and/or Capital will deliver to Counsel any written or oral complaints and report the initiation of any regulatory actions within which Respondent's name appears or in which Respondent is otherwise involved.
6. Respondent and Capital further undertake and agree that each referenced complaint and regulatory action will be delivered and/or reported to Counsel within then (10) business days of when Respondent receives such complaint or initiation of such regulatory action.

### ORDER

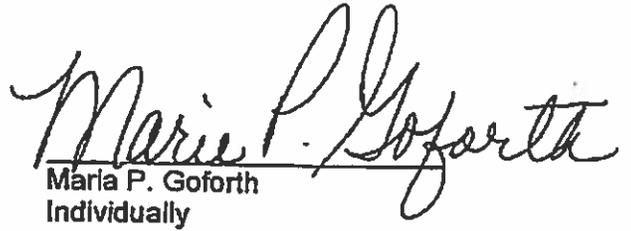
1. It is therefore ORDERED that the registration of Marie P. Goforth as an investment adviser representative of Capital Financial Services, Inc. with the Securities Commissioner is hereby GRANTED.
2. It is further ORDERED that the registration of Marie P. Goforth as an agent of Capital Financial Services, Inc. with the Securities Commissioner is hereby GRANTED.
3. It is further ORDERED that the investment adviser representative registration of Marie P. Goforth with the Securities Commissioner is hereby SUSPENDED for a period of forty-five (45) days.
4. It is further ORDERED that the agent registration of Marie P. Goforth with the Securities Commissioner is hereby SUSPENDED for a period of forty-five (45) days

5. It is further ORDERED that Marie P. Gofroth and Capital Financial Services, Inc. COMPLY with the terms of the Undertaking contained herein.

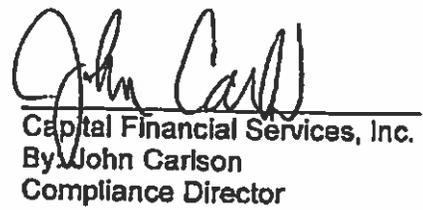
SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 4<sup>th</sup>  
day of May, 2017.

  
JOHN MORGAN  
Securities Commissioner

Respondent:

  
Marie P. Goforth  
Individually

Respondent:

  
Capital Financial Services, Inc.  
By John Carlson  
Compliance Director

Approved as to Form:



Callie A. Hester  
Callie A. Hester  
Attorney  
Inspections and Compliance Division



Cristi Ramón  
Cristi Ramón  
Attorney  
Inspections and Compliance Division

**ACKNOWLEDGMENT**

On the \_\_\_\_ day of \_\_\_\_\_, 2017, Marie P. Goforth ("Respondent") personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Respondent has read the foregoing Order and Undertaking incorporated by reference herein;
2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedures Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein and Undertaking incorporated by reference herein; and
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.

See Attached California  
All Purpose  
Acknowledgment

[affix notary seal here]

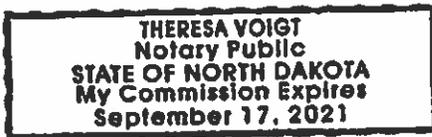
\_\_\_\_\_  
Notary Public in and for  
the State of \_\_\_\_\_

My commission expires on: \_\_\_\_\_ -

**ACKNOWLEDGMENT**

On the 3rd day of May, 2017, Capital Financial Services, Inc. ("Capital") personally appeared before me, executed the foregoing Order, and acknowledged that:

1. John Carlson is duly authorized to enter into the foregoing Order and Undertaking on behalf of Capital Financial Services, Inc.
2. John Carlson has read the foregoing Order and Undertaking incorporated by reference herein;
3. Capital has been fully advised of its rights under the Texas Securities Act and the Administrative Procedures Act;
4. Capital knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein and Undertaking incorporated by reference herein; and
5. Capital, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.



[affix notary seal here]

Theresa Voigt  
Notary Public in and for  
the State of North Dakota  
My commission expires on: 9/17/21

# CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

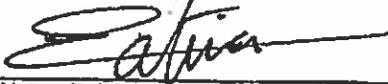
County of San Francisco }

On 05/01/2012 before me, Fatima Bziou-Wilder, Notary Public  
(Here insert name and title of the officer)

personally appeared GoFORTH, MARIE PEDRAZA who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Notary Public Signature

(Notary Public Seal)



## ADDITIONAL OPTIONAL INFORMATION

### DESCRIPTION OF THE ATTACHED DOCUMENT

TEXAS STATE Securities

(Title or description of attached document)

BOARD

(Title or description of attached document continued)

Number of Pages \_\_\_\_\_ Document Date 05/01/12

### CAPACITY CLAIMED BY THE SIGNER

- Individual (s)  
 Corporate Officer

\_\_\_\_\_  
(Title)

- Partner(s)  
 Attorney-in-Fact  
 Trustee(s)  
 Other \_\_\_\_\_

## INSTRUCTIONS FOR COMPLETING THIS FORM

*This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.*

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they- is /are ) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - ◊ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - ◊ Indicate title or type of attached document, number of pages and date.
  - ◊ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.