

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
204 NORTH ROBINSON, SUITE 400
OKLAHOMA CITY, OK 73102-7001



In the Matter of:

Timothy J. Scherwa (CRD #2743773),

ODS File 18-080

Respondent.

AGREEMENT

THIS AGREEMENT is entered into between Timothy J. Scherwa (“**Respondent**”) and the Administrator of the Oklahoma Department of Securities (the “**Administrator**” and “**Department**”) (collectively, the “**Parties**”), as of the Effective Date set forth below.

Respondent is a resident of New Jersey and has a pending application for registration under the Oklahoma Uniform Securities Act of 2004 (the “**Act**”), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011 and Supp. 2017), as an agent of Capitol Securities Management, Inc.

Respondent was registered under the Act as an agent of Wells Fargo Clearing Services, LLC, from May 9, 2014, to October 26, 2017. During this time, Respondent used discretion in a non-discretionary account of an Oklahoma resident.

The Department alleges that Respondent’s conduct violated 660:11-5-42(b)(13)(B) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (effective August 1, 2013, through October 31, 2016, and November 1, 2016, through the present).

The Parties wish to settle this matter without litigating the merits of the allegations set forth above.

The Parties hereto agree as follows:

1. **Jurisdiction.** The Administrator has jurisdiction over Respondent and the subject matter of this Agreement.
2. **Civil Penalty.** Within 30 days of the Effective Date of this Agreement, Respondent will pay a civil penalty in the amount of \$500 to the Department’s Investor Education Revolving Fund.

3. **Registration.** Respondent's pending registration under the Act as an agent of Capitol Securities Management will be made effective as of the Effective Date of this Agreement.

4. **No Coercion.** Respondent enters into this Agreement voluntarily and without any duress, undue influence, or coercion by the Administrator, any employee of the Department, or any member of the Oklahoma Securities Commission.

5. **Public Record.** This Agreement is a public record and will be available for public examination, pursuant to Section 1-607 of the Act.

6. **Consideration.** In consideration for this Agreement, the Administrator will not take further action against Respondent in connection with the allegations set forth above, except as provided for in paragraphs 7 and 8 below.

7. **Failure to Comply.** If Respondent fails to comply with this Agreement, the Administrator may, in his discretion and without prior notice to Respondent or opportunity for hearing, issue an order suspending Respondent's registration under the Act until Respondent has completed the requirements of the Agreement, and/or may take any other action authorized by law.

8. **Limitation on Agreement.** Nothing in this Agreement shall prohibit the Administrator from furnishing information to any other properly constituted agency or authority. In the event any other agency or authority commences an action in connection with information obtained from the Administrator against Respondent, the Administrator may assist in such action as authorized by law.

9. **Entire Agreement.** This writing constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by each of the Parties hereto.

10. **Applicability.** This Agreement applies only to the activities of Respondent, and to no others. It is further agreed that the execution of this Agreement does not mean that the Administrator has approved, condoned or passed in any way upon the merits or qualifications of, or recommended, the transactions to which it relates or any future

securities transactions.

11. **Effective Date.** This Agreement shall be effective as of the date on which it is signed by the Administrator as set forth below his signature hereto.

The Parties have executed this Agreement as of the date and year set forth below their signatures hereto.



TIMOTHY J. SCHERWA

Date: 4/11/18

OKLAHOMA DEPARTMENT OF SECURITIES

By: 
Irving L. Faught, Administrator

Date: APRIL 12, 2018