

FOR IMMEDIATE RELEASE

**CONTACT: Jeff Spill
Deputy Director
(603) 271-1463**

BUREAU OF SECURITIES BARS BEDFORD INVESTMENT ADVISER

CONCORD, NH (March 11, 2013) - The New Hampshire Bureau of Securities Regulation announced today that it has reached a settlement in a case against Nicholas Rowe and his company, Focus Capital Wealth Management, Inc, aka Focus Capital, Inc., of Bedford. The Bureau's settlement states Rowe and Focus Capital violated the securities laws by recommending unsuitable investments, misrepresenting Rowe's credentials and making other misrepresentations to clients.

As a result of the settlement, both Rowe and Focus Capital are barred from future licensure. In addition, Rowe and his firm must pay restitution to clients who suffered losses and pay fines and investigation costs to the Bureau totaling \$20,000. The determination of client losses will be made by the New Hampshire Bankruptcy Court. Rowe and Focus Capital filed for bankruptcy last December.

According to the settlement, from January 2007 to December 2012, when Focus Capital closed, Rowe and Focus engaged in trading on behalf of clients that was unsuitable, resulting in losses of approximately \$2.5 million. Through his company, Rowe used speculative investing strategies focused on the use of highly complex short-term investments known as leveraged exchange traded funds, or ETFs, and inverse ETFs. While such strategies may be appropriate for clients who have a high tolerance for risk, they are not appropriate for clients with low or moderate risk tolerance. In spite of this, Rowe applied these strategies to clients with lower tolerance for risk. In addition, Rowe and Focus Capital held the investments for a longer period than recommended for what are meant to be short-term investments.

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Rowe and Focus Capital also charged higher fees for these speculative and losing investment strategies. The higher fees were charged not only on the leveraged and inverse ETF investments but across clients' entire accounts. Rowe also told clients that their fees were being paid to third parties with close connections to Wall Street, when in fact Rowe was retaining a portion of the fees.

"Mr. Rowe and Focus Capital had a duty to act in the best interest of their clients," Jeff Spill, Deputy Director of the Bureau said. "Instead, clients were charged for investment strategies that were totally unsuitable and were not being told the entire truth about the fees charged and the investment strategies employed."

"Unfortunately, the violations committed by Mr. Rowe and Focus Capital resulted in significant losses for clients," Eric Forcier, Staff Attorney for the Bureau stated. "We are very pleased the Bureau's settlement will result in a bar from licensure." Forcier said that if for any reason the case in bankruptcy court is dismissed, the Bureau can reopen its case to enforce restitution to clients. The Bureau continues to participate in the bankruptcy proceedings by assisting in the determination of restitution and discovery of assets for the benefit of investors.

Deputy Director Spill noted that the Bureau of Securities Regulation is charged with protecting New Hampshire investors. The Bureau issues public announcements regarding significant enforcement cases, such as this one, as part this charge and to educate and warn the public about investment misconduct.