

COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
ADMINISTRATIVE AGENCY ACTION NO. 2017-AH-00059

ENTERED  
MAR 08 2018  
AEE 8:34AM  
COMMISSIONERS OFFICE

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

EDWARD JOSEPH BOSCH SR.

RESPONDENT

**FINAL ORDER**

\* \* \* \* \*

Comes now the Department of Financial Institutions (“DFI”), pursuant to Kentucky Revised Statute (“KRS”) 292.470, KRS 292.500 and 808 Kentucky Administrative Regulation (“KAR”) 10:225, by counsel, and hereby brings this **Final Order** against Edward Joseph Bosch Sr. (“Bosch”). In support thereof, the DFI states as follows;

**SERVICE OF THE ADMINISTRATIVE COMPLAINT**

1. On October 4, 2017, DFI sent, via certified mail, copies of an Administrative Complaint to Respondent. (A copy of the Administrative Complaint is attached as Exhibit 1). The Administrative Complaint contains a section entitled Notice To Respondent, which details the requirements for requesting a hearing.

2. The Respondent’s last known business address is 9724 Windsor Way, Florence KY 41042. DFI sent copies of the Complaint, via certified mail, to the above referenced address.

3. The Department received confirmation of delivery of the Administrative Complaint on October 16, 2017, via the United States Postal Service to Mr. Edward Joseph Bosch Sr., tracking number 70170530000029644495. (See Exhibit 2)

4. Respondents' Answer was received by DFI on November 1, 2017. Respondent did not deny the allegations stating he had "resolved these matters with the clients affected" and considered "this matter closed". Furthermore, Respondent failed to request a hearing in his response. (See Exhibit 3)

### FACTS

5. Bosch was registered with the DFI's Division of Securities (CRD #1127469) as a broker-dealer agent with LPL Financial ("LPL") and as an Investment Advisor Representative with Independent Financial Partners ("IFP") from December 2010 until March 2016.

6. Bosch, while employed by LPL and IFP, admitted to LPL staff, in an interview at LPL's office, that he had deposited funds from three (3) different clients into his personal account and thereafter created false account documents to conceal his activities.

7. The Firm determined that Bosch has misappropriated sixty five thousand two hundred forty seven dollars and two cents (\$65,247.02) from two of the clients and an unspecified amount from the third.

8. As a result of the above stated fraudulent activities, Bosch was banned by FINRA, on June 9, 2016, from engaging in all brokerage related activities.

### STATUTORY AUTHORITY

9. KRS 292.320 (1) states:  
(1) It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly:

(a) To employ any device, scheme, or artifice to defraud;

(b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or

(c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

10. KRS 292.470(3) states:

Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order under this chapter, the commissioner may in his or her discretion bring any or all of the following remedies:

(3) Issue a final order, after notice and an opportunity for a hearing, containing findings of fact and conclusions of law, directing any person or persons found to have engaged in, or about to be engaged in, activity that constitutes a violation of this chapter or any rule or order under this chapter:

(a) To cease and desist from the activity;

(b) To perform any other reasonable mandates directed by the commissioner pursuant to an appropriate remedy fashioned by the commissioner and reasonably calculated to carry out the provisions of this chapter; or

(c) To pay fines assessed under KRS 292.500(14) and costs assessed under KRS 292.500(15).

11. KRS 292.500(14) states:

The commissioner may impose civil fines against any person who violates any provision of this chapter or any rule or order or voluntary agreement entered into under this chapter. The fine

shall not exceed twenty thousand dollars (\$20,000) per violation, except when the violation is directed at or results in monetary damage to one (1) or more individuals who are sixty (60) years of age or older, the commissioner may impose an additional fine not to exceed twenty thousand dollars (\$20,000) per violation. Each act or transaction which violates this chapter or administrative regulation, or orders or agreements entered into under this chapter, shall constitute a separate violation. Any employer or principal shall be jointly and severally liable for fines imposed in connection with the conduct of employees or agents.

12. KRS 292.337(1) states, in relevant part,

The commissioner may deny, refuse to renew, suspend, or revoke the registration of any broker-dealer, agent, investment adviser, or investment adviser representative.

13. KRS 292.337(2)(b) states, in relevant part,

(2) For actions taken in subsection (1) of this section, the commissioner shall find that it is in the public interest and further find that the applicant or registrant or, in the case of a broker-dealer, or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser:

(b) Has violated or failed to comply with this chapter or any administrative regulation promulgated or order issued under this chapter or a predecessor law;

#### **CONCLUSIONS OF LAW**

14. Bosch, while employed by LPL and IFP, violated KRS 292.320(1) when he deposited funds from three (3) different clients into his personal account and thereafter created false account documents to conceal his activities. Furthermore, Bosch misappropriated Sixty Five


Thousand Two Hundred Forty Seven dollars and two cents (\$65,247.02) from two of the clients and an unspecified amount from the third.

**ORDER**

**Therefore**, based upon the foregoing Findings of Fact, Statutory Authority and Conclusions of Law, the Commissioner hereby **ORDERS**;

1. Respondent to pay a fine in the amount of Sixty Thousand dollars (\$60,000.00) for violations of the Act.
2. Pursuant to KRS 292.337(1) and (2)(b), Respondent is barred from registering as a broker-dealer, agent, investment adviser or investment adviser representative in Kentucky.
3. This is a FINAL and appealable Order.

IT IS SO ORDERED on this the 8<sup>th</sup> day of March, 2018.

  
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CHARLES A. VICE  
COMMISSIONER

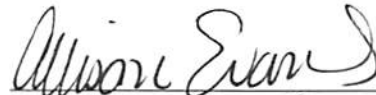
**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **Final Order** was sent by certified mail, on this the 8 day of March, 2018 to:

Edward Joseph Bosch Sr.  
9724 Windsor Way  
Florence, KY 41042

Via Hand Delivery to:

Hon. Catherine Falconer  
Staff Attorney  
Department of Financial Institutions  
1025 Capital Center Drive, Ste. 200  
Frankfort, KY 40601

  
NAME: Allison Evans  
TITLE: Executive Staff Advisor