

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2019-AH-00003

ENTERED
FEB 06 2019
APR 8:30AM
COMMISSIONERS OFFICE

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

AGREED ORDER

MACKHOUSE CAPITAL, LLC

RESPONDENT

FACTUAL BACKGROUND

1. The Kentucky Department of Financial Institutions ("DFI") is responsible for administering the provisions of Kentucky Revised Statutes ("KRS") Chapter 292, the Securities Act of Kentucky ("the Act"), as well as any applicable rules and regulations enacted thereunder.

2. Mackhouse Capital, LLC, IA 156, Firm CRD# 146350, (hereafter "Mackhouse") is a registered investment advisor with a business address of 9000 Corporate Campus Drive, Suite 3000, Louisville, KY 40223.

3. DFI conducted a routine examination of Mackhouse beginning February 28, 2018. During the examination, DFI discovered that Mackhouse had deficiencies that needed to be addressed.

4. The February 28, 2018 examination by DFI identified the following deficiencies that resulted in violations of Kentucky Securities Regulations:

a. Mackhouse failed to maintain a positive net worth at all times as required by 808 KAR 10:200 Section 3(4),

b. Mackhouse failed to notify the commissioner of its net worth deficiency pursuant to 808 KAR 10:200 Section 3(7).

ENTERED
FEB 06 2010
COMMISSIONER'S OFFICE

5. Based upon the facts as set forth in paragraphs three (3) and four (4), the DFI alleged that Mackhouse violated the provisions as stated above.

6. The DFI possesses a range of administrative authority in addressing compliance with the Act, including the ability to enter into Agreed Orders. (See KRS 292.500)

7. To resolve this matter without litigation or adversary proceedings, the DFI, and Mackhouse agree to compromise and settle all claims arising from the above-referenced factual background in accordance with the terms set forth herein.

ACTIONS FOR COMPLIANCE AND SETTLEMENT

The DFI and Respondent, in the interest of economically and efficiently resolving this matter, agree as follows:

8. Respondent shall comply with the Act.

9. Respondent waives its right to demand a hearing at which it would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on their behalf, or to otherwise appeal or set aside this Agreed Order.

10. Respondent consents to and acknowledges the jurisdiction of the DFI over this matter. This Order is a matter of public record and may be disseminated as such.

11. In consideration of the execution of this Agreed Order, Respondent for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Respondent ever had, now have, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this settlement.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial statements and for providing a clear audit trail. The records should be kept up-to-date and should be easily accessible to all relevant parties.

2. The second part of the document outlines the various methods used to collect and analyze data. These methods include interviews, surveys, and focus groups. Each method has its own strengths and weaknesses, and it is important to choose the most appropriate method for the specific research objectives. The data collected should be analyzed carefully to identify any trends or patterns.

3. The third part of the document discusses the results of the research. The findings indicate that there is a strong correlation between the variables studied. This suggests that the factors being investigated are closely related and may be influencing each other. Further research is needed to explore the underlying causes of these relationships.

4. The fourth part of the document provides a detailed analysis of the data. This includes a breakdown of the results by category and a comparison of the findings with previous research. The analysis shows that the results are consistent with the expectations of the study, but there are some areas where the data deviates from the expected outcomes.

5. The fifth part of the document discusses the implications of the research. The findings have several practical implications for the industry and for policy-making. It is important to consider these implications carefully and to develop strategies to address any issues that may arise. The research also highlights the need for further investigation in this area.

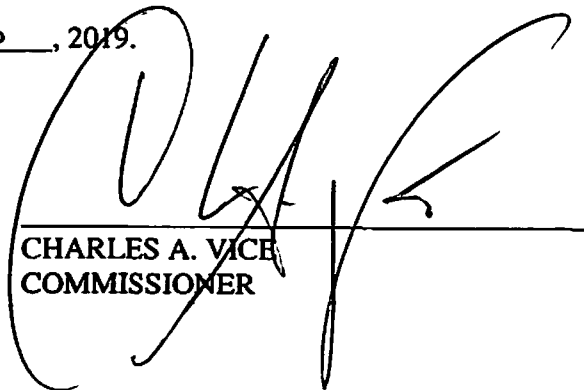
6. The final part of the document provides a conclusion and a list of references. The conclusion summarizes the main findings of the study and highlights the key takeaways. The references list the sources used in the research, providing a clear path for further exploration of the topic. The overall structure of the document is clear and easy to follow, making it a valuable resource for anyone interested in the subject.

12. Respondent agrees to pay a fine in the amount of One Thousand Five Hundred dollars (\$1,500.00) as full settlement of this matter.

13. Respondent agrees to pay the fine in six (6) monthly installments of \$250. The first installment shall be due upon entry of the Agreed Order. Each subsequent installment will be due on or before the thirtieth (30th) day of the month, with the second payment due February 28th, 2019. The payments shall be in the form of a certified check or money order made payable to the "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Securities Division, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601. Failure to do so shall render the agreement void.

14. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties. This Agreed Order shall constitute the final resolution of this matter.

AGREED on this the 5th day of Feb, 2019.



CHARLES A. VICE
COMMISSIONER

Consented to:

~~This 3rd day of January, 2019.~~ This 5th day of February, 2019.

Marni R. Gibson

Marni R. Gibson, Director
Division of Securities
Department of Financial Institutions

AND

This 30th day of January, 2019

John M. House

Mr. John M. House
Authorized Representative
Mackhouse Capital, LLC

ACKNOWLEDGEMENT

STATE OF Kentucky)
COUNTY OF Bullitt)

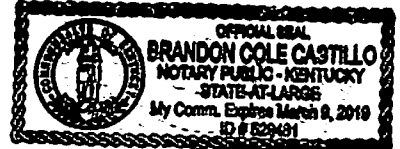
Brandon Cole Castillo

On this the 30th day of January, 2019, before me John M. House, Jr., BC
the undersigned John M. House, Jr., did personally appear and acknowledge
himself/herself to be the authorized representative of Mackhouse Capital, LLC and that being
authorized to do so did enter into and execute the foregoing instrument for the purposes therein
contained.

In witness whereof I hereunto set my hand.

My Commission Expires: 3/9/19

Brandon Cole Castillo
Notary Public



1880

Wm. D. Smith



Certificate of Service

I, Allison Reed, hereby certify that a copy of the foregoing Agreed Order was sent on this the 6 day of February, 2019, by first class mail to:

Mr. John M. House
Managing Member
Mackhouse Capital, LLC
P.O. Box 5010
Louisville, KY 40255

And hand delivered to:

Kathryn Adams-Cornett, Attorney
Kentucky Department of Financial Institutions
1025 Capitol Center Drive, Suite 200
Frankfort, KY 40601

Allison Reed

KY Department of Financial Institutions
Name: Allison Reed
Title: Executive Staff Advisor