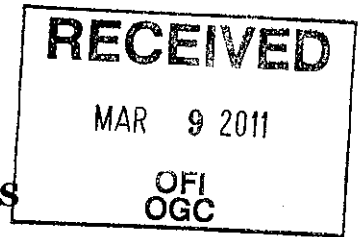


COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2011-AH-0027



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

PRIVATE CLIENT SERVICES, LLC

RESPONDENT

**AGREED ORDER**

\* \* \* \* \*

**STATEMENT OF FACTS**

1. The Department of Financial Institutions (“DFI”) is the public agency of the Commonwealth of Kentucky charged with the enforcement of KRS Chapter 292, the Kentucky Securities Act (“the Act”).
2. Private Client Services, LLC (“Respondent”) is a broker-dealer registered under the Act to do business in Kentucky. Respondent’s main office is located at 2225 Lexington Road, Louisville, Kentucky 40206.
3. On May 19, 2010, DFI’s Division of Securities (“the Division”) issued a Conditional Registration to Paula A. Parkerson, an Agent of Respondent. Under the terms of the Conditional Registration, which was executed by both the Agent and Respondent, Respondent is bound to comply with all provisions of the Conditional Registration and is subject to sanctions under the Act for any failure to so comply.
4. The fifth numbered condition (“Condition 5”) of the Conditional Registration requires Respondent to conduct periodic customer account reviews of the

Agent's client accounts and to maintain evidence of each such review as well as of any issues discovered or discussed with the Agent as a result of such review.

5. During the period of January 31, 2010 to February 1, 2011, the Division conducted a limited scope examination of Respondent in order to determine compliance with the Conditional Registration. During this examination, the Division discovered that Respondent had failed to maintain any evidence establishing that it had conducted any periodic customer account reviews in compliance with the Conditional Registration.

6. Respondent has admitted that it has failed to document or otherwise maintain evidence of the periodic customer account reviews required by the Conditional Registration.

7. Pursuant to KRS 292.500(14), the Commissioner may impose a fine of up to twenty thousand dollars (\$20,000) for each violation of the Act, and an additional twenty thousand dollars (\$20,000) if the violation is directed toward an individual sixty (60) years of age or older.

8. In this case, DFI has imposed a fine against Respondent in the amount of one thousand dollars (\$1,000.00) for failing to comply with the Conditional registration as set forth herein.

### **AGREEMENT AND ORDER**

The DFI and Respondent, in the interest of economically and efficiently resolving the violations and discrepancies described above, agree, and it is hereby ORDERED, as follows:

1. Respondent is assessed a fine in the amount of one thousand dollars (\$1,000.00).

2. Respondent shall pay the total fine assessed herein of one thousand dollars (\$1,000.00), which shall be due by the date Respondent signs the Agreed Order and returns it to DFI. The payment shall be made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Michael T. Davis, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

3. Respondent shall devote the time and resources necessary to ensure continual and full compliance with the Conditional Registration, all statutory requirements set forth in the Act and the regulations set forth in 808 KAR Chapter 10.

4. Any failure by Respondent to comply with any provision of this Agreed Order may result in further administrative action taken by DFI.

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

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

7. In consideration of execution of this Agreed Order, Respondent for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, 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 has, 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 investigation, this disciplinary action, this settlement or its administration.

8. 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.

9. This Agreed Order shall constitute the Final Order in this matter.

IT IS SO ORDERED on this the 14<sup>th</sup> day of March, 2011.

[Signature]  
CHARLES A. VICE  
COMMISSIONER

**Consented to:**

This 9 day of March, 2011.

[Signature]  
Shonita Bossier, Director  
Division of Securities  
Department of Financial Institutions

This 8<sup>th</sup> day of MARCH, 2011.

[Signature]  
John E. Hill, as Authorized Agent of  
Respondent Private Client Services, LLC

ACKNOWLEDGEMENT

STATE OF KY )  
COUNTY OF JEFFERSON )

On this the 8<sup>th</sup> day of MARCH, 2011, before me MELISSA BALKENBUSCH, the undersigned, **John E. Hill, as authorized representative of Private Client Services, LLC**, did personally appear and enter into and execute the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

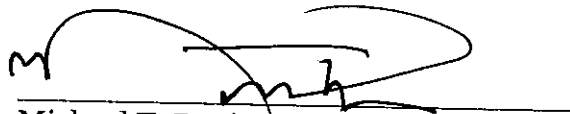
My Commission Expires: JULY 29, 2014

[Signature]  
Notary Public

**Certificate of Service**

I, Michael T. Davis, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 16<sup>th</sup> day of March, 2011, by certified mail, to the following:

John E. Hill  
Private Client Services, LLC  
2225 Lexington Road  
Louisville, Kentucky 40206  
*Respondent*



Michael T. Davis,  
Commonwealth of Kentucky  
Department of Financial Institutions  
1025 Capital Center Drive  
Suite 200  
Frankfort, Kentucky 40601  
502-573-3390 ext. 240 (phone)  
502-573-2183 (facsimile)  
*Counsel for Complainant*