

COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
ADMINISTRATIVE AGENCY ACTION NO. 2019-AH-00031B



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

**AGREED ORDER**

ROBERT S. CLARKE

RESPONDENTS

\*\*\*\*\*

**FACTUAL BACKGROUND**

1. The Department of Financial Institutions (“DFI”) is responsible for administering the provisions of KRS Chapter 292, the Securities Act of Kentucky (“the Act”), as well as any applicable rules, regulations and orders entered pursuant to the Act.

2. Clarke, (CRD# 735940), a Kentucky resident, is currently registered with conditions as a broker-dealer agent with National Alliance Securities, LLC (“National”).

3. National, (Firm CRD# 39455), is a registered broker-dealer with a principle business office location of 111 Congress Avenue, Suite 800, Austin, Texas 78701. National has a branch office located in Union, Kentucky.

4. Clarke was registered with Ross, Sinclare & Associates, LLC (“RSA”) as a broker-dealer agent from September 5, 1995, until Clarke voluntarily terminated his employment with RSA on July 14, 2017.

5. On July 19, 2017, National submitted a broker-dealer agent registration application for Clarke. Based on complaints previously filed against Clarke, DFI approved the application with conditions, including heightened supervision of Clarke and his trading activities. The conditional registration with National did not become effective until January 31, 2018.

6. On August 13, 2018, the DFI Securities Compliance Branch conducted a routine examination of the National branch office located in Union, KY. During the examination, the Compliance Branch reviewed records, specifically the firm's trade blotter, and discovered that Clarke placed trades for customers as an unregistered broker-dealer agent prior to the January 31, 2018 approval of the registration application.

7. In addition, the DFI Compliance Branch discovered, during the compliance examination, that National paid Clarke commissions during the time he was an unregistered broker-dealer agent although Clarke was under a heightened supervision requirement allegedly monitored by National's Registered Principal. In a March 1, 2019 letter sent to DFI, in response to the examination findings, National stated it reviews the exception reports in states where agents are not registered, but confirmed National paid Clarke commissions during the time frame he was not registered. Based on the above-stated facts, DFI determined that violations of the applicable statutes occurred.

8. Based on the facts, as set forth in paragraphs five (5) through (7), DFI has sufficient grounds to allege that Clarke placed trades in customer accounts as an unregistered broker-dealer agent in violation of KRS 292.330(3).

#### **ACTIONS FOR COMPLIANCE AND SETTLEMENT**

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

9. The registration of Robert Clarke as a broker-dealer agent shall be suspended for five (5) months, commencing on March 1, 2020.

10. Clark shall pay a fine in the amount of Three Thousand dollars (\$3000). One Thousand shall be due upon the entry of the Agreed Order. The remainder shall be due on or before August 1, 2020, in full settlement of the matter.

11. Clarke waives his right to demand a hearing at which he would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on his behalf, or to otherwise appeal or set aside this Agreed Order.

12. Clarke 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.

13. The terms of this Agreed Order do not constitute an admission on behalf of Clarke.

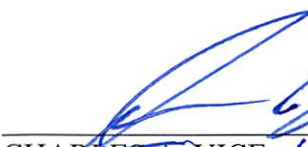
14. In consideration of the execution of this Agreed Order, Clarke for himself, and for his successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, 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 Clark 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 settlement.

15. Clarke agrees to pay the fine no later than the effective date of the Agreed Order, which shall be in the form of a certified check or money order made payable to the "Kentucky State Treasurer" and mailed to the "Kentucky Department of Financial Institutions, Securities Division, 500 Mero Street, 2 SW 19, Frankfort, KY 40601 re: Clarke Agreed Order". Failure to do so shall render the agreement void.

16. 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 27<sup>th</sup> day of February, 2020.

  
\_\_\_\_\_  
CHARLES A. VICE / Justin Burse  
COMMISSIONER Deputy Commissioner

**Consented to:**

This 27 day of February 2020.

*Morris*  
*Wilson*  
Chad Harlan on behalf of Morris Cris  
Chad Harlan, Director  
Division of Securities  
Department of Financial Institutions

**AND**

This 19th day of February, 2020

Robert Clarke  
Robert Clarke

**ACKNOWLEDGEMENT**

STATE OF Kentucky )  
 )  
COUNTY OF Kenyon )

On this the 19th day of February, 2020, before me Angela M. Holley, the undersigned, Robert Clarke, did personally appear and acknowledge himself/herself to be Robert Clarke 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: May 3, 2020

Angela M. Holley # 555839  
Notary Public

**Certificate of Service**

I, Amy Haley, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 27 day of Feb, 2020, by first class mail to:

Robert S. Clarke  
1209 Citation Dr.  
Union, KY 41091

Margo Grubbs, Esq.  
c/o Grubbs Rickert Landry, PLLC  
334 Beechwood Road, Suite 503  
Ft. Mitchell, KY 41017

hand delivered to:

Catherine Falconer, Asst. General Counsel  
Kentucky Department of Financial Institutions  
1025 Capitol Center Drive, Suite 200  
Frankfort, KY 40601

Amy Haley for Allison Reed  
KY Department of Financial Institutions  
Name: Amy Haley for Allison Reed  
Title: Exec Staff Advisor/Records  
Custodian