

ENTERED
APR 30 2020
AA 11:00 am
COMMISSIONERS OFFICE

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

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

AMENDED AGREED ORDER

ROBERT S. CLARKE

RESPONDENT

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, Sinclair & 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 had 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 consideration of the current extraordinary circumstances and economic hardship related to the Covid-19 pandemic currently existing in the United States at the time of the entry of this Amended Agreed Order, and in interest of economically and efficiently resolving this matter, agree as follows:

9. The registration of Robert Clarke as a broker-dealer agent was suspended for five (5) months, commencing on March 1, 2020. As of the entry of this Amended Agreed Order, and

in consideration of the extraordinary circumstances currently in effect, the registration of Robert Clarke may be reinstated with the understanding that Robert Clarke will abide by all statutory and regulatory requirements of the authority governing his registration.

10. Clark paid a fine in the amount of Three Thousand dollars (\$3,000). One Thousand dollars (\$1,000) was due upon the entry of the original Agreed Order with the balance due upon entry of the Amended Agreed Order.

11. Clarke waived 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 Amended Agreed Order.

12. Clarke consented to and acknowledged the jurisdiction of the DFI over this matter. This Amended Agreed Order is a matter of public record and may be disseminated as such.

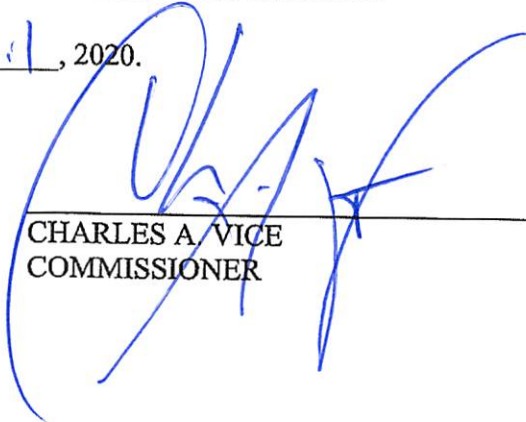
13. The terms of this Amended Agreed Order do not constitute an admission on behalf of Clarke.

14. In consideration of the execution of this Amended 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 in full no later than the effective date of the Amended 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".

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

AGREED on this the 30th day of April, 2020.



CHARLES A. VICE
COMMISSIONER

Consented to:

This 30th day of April, 2020.


Division of Securities
Department of Financial Institutions

AND

This 20th day of April, 2020


Robert Clarke

ACKNOWLEDGEMENT

STATE OF Kentucky)
)
COUNTY OF Kenton)

On this the 20th day of April, 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. Holling #555839
Notary Public

Certificate of Service

I, Amy Haley, hereby certify that a copy of the foregoing **Amended Agreed Order** was sent on this the 30 day of April, 2020, by first class mail to:

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

email delivery to:

Margo Grubbs, Esq.
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Amy Haley for Allison Reed
KY Department of Financial Institutions
Name: Amy Haley for Allison Reed
Title: Records Custodian