COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2011-AH-0154
ADMINISTRATIVE ACTION NO. 11-PPC-0297

DEPARTMENT OF FINANCIAL INSTITUTIONS **COMPLAINANT**

VS.

LAWRENCE ROSEN **RESPONDENT**

* * * * *

CORRECTED FINAL ORDER

It having come to the attention of the Commissioner that the Final Order dated September 10, 2012 (the "Final Order") contained incorrect statutory citations in paragraphs two (2) and three (3), respectively, of the Order portion of the Final Order, it is hereby ordered that the Final Order is corrected and should read as follows:

The Commissioner, having considered the entire record in the above-entitled matter including the administrative complaint, responses, motions for summary judgment submitted by both parties, various intermediate orders, the hearing officer's recommended order and the exceptions filed thereto and being otherwise sufficiently advised, issues this Final Order.

In the Recommended Order Granting Complainant's Motion for Summary Judgment (the "Recommended Order"), the hearing officer concluded that Respondent has violated KRS 292.330(8) by operating as an unregistered investment adviser and recommended that Respondent be ordered to cease and

desist from acting as an investment adviser and to cease and desist from committing any other violations of the Securities Act, KRS Chapter 292 (the "Act"). The hearing officer also concluded that Complainant's request for a fine and costs was not reasonable.

Pursuant to KRS 13B.120(2), I accept the Recommended Order in part and reject it in part as follows:

Findings of Fact

The only facts admitted by the parties in this matter are those contained in Paragraphs 1-8 of the Administrative Complaint and in the two contracts (the "Contracts") entered into by Respondent and his clients. Other statements that may have been made by the hearing officer in connection with the Recommended Order or prior orders were not designated as "findings" and were not admitted as facts by the parties. Moreover, information submitted by the parties in connection with their various motions and briefs were not admitted as facts nor did the hearing officer find such information or statements to be facts. Accordingly, such statements have not been considered in determining whether Respondent has acted as an unregistered investment adviser in violation of KRS 292.330(8).

Conclusions of Law

Based on the findings of facts set forth above, admitted by the parties, and in agreement with the Recommended Order, I conclude that Respondent has violated KRS 292.330(8) by operating as an unregistered investment adviser with respect to his investment activities regarding the two clients represented by the Contracts.

Order

1. In agreement with the Recommended Order, Respondent is hereby Ordered to Cease and Desist operating as an unregistered investment adviser in Kentucky and from violating any other provision of the Act.
2. In rejecting the Recommended Order in part, the request for a $5,000 fine is reasonable and, therefore, I hereby Order Respondent to pay a fine of $5,000 in accordance with KRS 292.500(14).
3. In rejecting the Recommended Order in part, the request for costs in this matter is also reasonable and, therefore, I Order Respondent to pay for the costs associated with this enforcement action in accordance with KRS 292.500(16). Such costs imposed hereby shall not include any Complainant's attorney or employee time or expenses; costs shall consist solely of those charges which have or will be submitted for payment by the Hearing Officer incident to this matter.

NOTICE OF APPEAL RIGHTS

Pursuant to KRS 13B.140, you are hereby notified that you have the right to appeal this Final Order of the Commissioner. If you choose to appeal, you must file a written Notice of Appeal with the Franklin Circuit Court within thirty (30) days after service of this Corrected Final Order.

SO ORDERED on this the 12th day of September 2012.

Charles A. Vice
Commissioner
Department of Financial Institutions

Certificate of Service

I certify that on the 12th day of September, 2012, a true and correct copy of this Corrected Final Order was served as follows:

By messenger mail to:

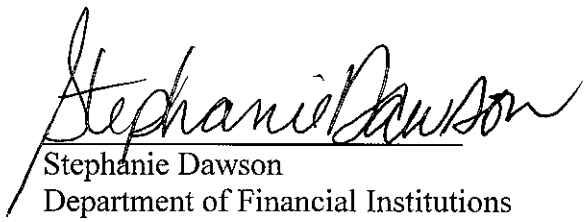
Hon. Susan Durant
Division of Administrative Hearings
Office of the Attorney General
1024 Capital Center Drive
Frankfort, Kentucky 40601

By hand delivery to:

Hon. Simon Berry
Counsel for Complainant
Department of Financial Institutions
1025 Capital Center Drive
Frankfort, Kentucky 40601

By certified mail, postage prepaid to:

Hon. Trevor W. Wells
Miller Wells PLLC
Counsel for Respondent
300 East Main Street, Suite 360
Lexington, Kentucky 40507



Stephanie Dawson
Department of Financial Institutions