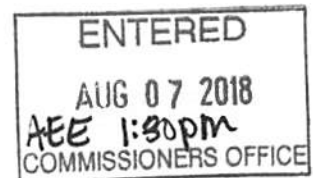


COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
ADMINISTRATIVE AGENCY ACTION NO. 2018-AH-00010



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

CLIFFORD C. VATTER, III

RESPONDENT

**NOTICE OF RESOLUTION AND AGREED ORDER**

The 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, regulations, and Orders entered pursuant to the Act. Pursuant to KRS 292.337, the DFI enters this Notice of Resolution and Agreed Order accepting the withdrawal of the application of Clifford C. Vatter, III (“Vatter,” or “Respondent”) for registration as an investment adviser representative, in lieu of denial.

**FACTS**

1. Vatter (who is registered in the Central Records Depository, or “CRD,” of the Financial Industry Regulatory Authority, or “FINRA,” under #1110645) was registered with DFI as a Broker-Dealer Agent and as an investment adviser representative of Raymond James & Associates, Inc. (“Raymond James”) (CRD #705) from February 13, 2013, until his registration was terminated by the firm on July 18, 2017. A Form U-5 (“Form U-5”) was filed by Raymond James on August 4, 2017.

2. On August 21, 2017, DFI received a letter from Vatter informing DFI of Vatter’s termination from Raymond James, and setting forth his account of the circumstances surrounding his termination.

3. On November 8, 2017, DFI received an investment adviser representative application on behalf of Vatter from International Assets Investment Management, LLC (“IAIM”) (CRD # 144426).

4. Following its review and investigation of Vatter’s previous registration as an Investment Advisor Representative, DFI entered an Interim Order on March 15, 2018, denying Vatter’s application for registration as an investment advisor representative with IAIM.

5. On April 2, 2018, Vatter sought review of the DFI’s Interim Order by filing an Application for a Hearing Pursuant to KRS § 13B.125. Accordingly, DFI entered a Notice of Administrative Hearing on April 11, 2018, and a hearing on this matter was scheduled for May 24, 2018.

6. On May 16, 2018, Vatter, through counsel, submitted a request to withdraw his application for registration as an investment advisor representative. In accordance with the terms set forth herein, and in the interest of efficiently resolving this matter, DFI hereby accepts the withdrawal of Vatter’s registration application.

#### **AUTHORITY AND CONCLUSIONS**

7. As set forth in KRS Chapter 13B.070(3), “informal settlement of matters that may make unnecessary more elaborate proceedings under this chapter is encouraged.”

8. An Interim Order was entered by the Commissioner, pursuant to KRS 292.337(2), providing for notice, written findings of fact, conclusions of law and opportunity for a hearing.

9. Respondent, through counsel, submitted a request to withdraw the application for Investment Adviser Registration on May 16, 2018.

10. In the interest of efficiently resolving the dispute described herein and avoiding more elaborate proceedings, DFI and Respondent agree as follows:

- a. Respondent shall not participate in the securities industry in the Commonwealth of Kentucky for a period of ten (10) years following the entry of this Order;
- b. For the purposes of this Order, participation in the securities industry shall include, but not be limited to, the following:
  - i. Any activity included in the definition of an "investment adviser," "investment adviser representative," "broker-dealer," or "agent" under KRS 292.310;
  - ii. Any conduct or course of conduct which would require registration with DFI as an investment adviser, investment adviser representative, broker-dealer, or broker-dealer agent under KRS 292.330;
  - iii. Any conduct related to or in support of another person acting as an investment adviser, investment adviser representative, broker-dealer, or broker-dealer agent (*i.e.*, acting as a consultant for an investment adviser while avoiding client contact);
  - iv. Seeking registration with DFI as an investment adviser representative or broker-dealer agent; and
  - v. Violating any provision of the Act;
- c. DFI shall deem Vatter's application for registration as an investment adviser representative with IAIM to be withdrawn;
- d. The terms of this Agreed Order shall be interpreted to be consistent with all parts of the Act;

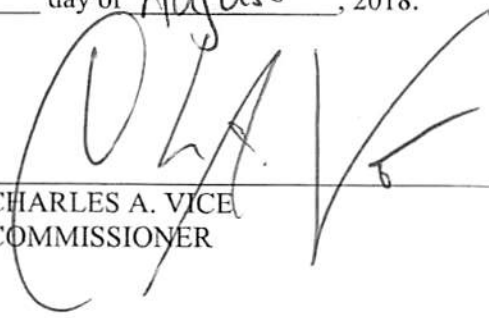
- e. Respondent waives his right to demand a hearing at which he would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on his own behalf, or to otherwise appeal or set aside this Order; and
- f. Respondent consents to and acknowledges the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

11. In consideration of execution of this Agreed Order, Respondent for himself, and for his 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 action, this settlement or its administration.

12. 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.

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

**IT IS SO ORDERED** on this the 17<sup>th</sup> day of August, 2018.

  
\_\_\_\_\_  
CHARLES A. VICE  
COMMISSIONER

**Consented to:**

This 7<sup>th</sup> day of August, 2018.

Mari Gibson

Director - Division of Securities  
Department of Financial Institutions

**AND**

This 2<sup>nd</sup> day of AUGUST, 2018

Clifford C. Vatter III

Clifford C. Vatter, III

**ACKNOWLEDGEMENT**

STATE OF KY )  
COUNTY OF JEFFERSON )

On this the 2<sup>nd</sup> day of AUGUST, 2018, before me Maggie Louise Fisher  
the undersigned, Clifford C. Vatter, III, did personally appear and acknowledge himself and did  
enter into and execute the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: 10/6/2021

Maggie Louise Fisher  
Notary Public

CERTIFICATE OF SERVICE

I hereby certify that on the 7 day of August, 2018 a copy of this Notice of Resolution and Agreed Order was served as follows:

*By hand-delivery to:*

Stuart D. Michael, Esq.  
Department of Financial Institutions  
1025 Capital Center Dr., Suite 200  
Frankfort, KY 40601

*By Messenger Mail to:*

Hon. Jim Howard  
Administrative Hearings Branch  
Public Protection Cabinet  
128 Brighton Park Boulevard  
Frankfort, Kentucky 40601

*By certified mail, postage prepaid, to:*

Clifford C. Vatter, III  
7501 Smithfield Green  
Prospect, Kentucky 40059  
Respondent

Michael A. Valenti, Esq.  
One Riverfront Plaza, Suite 1950  
401 West Main Street  
Louisville, Kentucky 40202  
Counsel for Respondent

  
\_\_\_\_\_  
Department of Financial Institutions