

COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
ADMINISTRATIVE ACTION NO. 16-AH-00102

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

AGREED ORDER

GRANT TALBERT

RESPONDENT

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A. FACTUAL BACKGROUND

1. The Kentucky 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 and regulations enacted thereunder.

2. Grant Talbert (“Respondent”), CRD# 5531532, is a registered broker-dealer agent who was associated with NYLife Securities, LLC (“NYLife”). Respondent’s residence is located at 2124 Antigua Dive, Lexington, KY 40509.

3. During 2015, while associated with NYLife as a broker-dealer agent, Respondent engaged in a solicitor relationship with New Millennium Asset Management, Inc. (“New Millennium”) for compensation without either informing or obtaining permission from NYLife. Since Respondent did not disclose his solicitor relationship with New Millennium, NYLife filed a Form U4 with the DFI on September 29, 2015, that did not disclose Talbert’s outside business activity with New Millennium.

4. The Act and the duties contained in the Solicitor’s Agreement between the Respondent and New Millennium required Respondent to be registered as an Investment Adviser

Representative. Based upon fulfilling the requirements of the Solicitor's Agreement, New Millennium paid Respondent \$23,957.66 in compensation for 2015.

5. On September 29, 2015, during the DFI's examination of NYLife, Respondent lied to or otherwise attempted to mislead the DFI examiner regarding his solicitor relationship with New Millennium by denying its existence.

6. On May 3, 2016, during a meeting with the DFI investigators, Respondent confirmed his solicitor relationship with New Millennium and admitted he did not submit a written request to NYLife regarding this outside business activity.

7. Based upon the facts set forth in paragraphs two (2) through five (5), the DFI has alleged that Respondent violated the Act.

#### **STATUTORY AUTHORITY**

7. Pursuant to KRS 292.330(11), "[i]t is unlawful for an individual to transact business in this state as an investment adviser representative unless the individual is registered under this chapter as an investment adviser representative ..."

8. Pursuant to KRS 292.440, "[i]t is unlawful for any person to ... cause to be made, in any document filed with the commissioner ..., any statement which is, at the time and light of the circumstances under which it is made, false or misleading in any material respect.

9. 808 KAR 10:440, Section 1(27), identifies lying to or otherwise misleading representatives of the DFI conducting an authorized examination or investigation as an example of dishonest or unethical practices whereby the commissioner may take action under KRS 292.337(1).

10. The Commissioner possesses a range of administrative authority in addressing violations of the Act, including the imposition of fines up to twenty thousand dollars (\$20,000.00) for each violation of the Act. See KRS 292.470 and KRS 292.500.

11. The Commissioner finds that this Agreed Order is in the public interest.

#### **CONCLUSIONS OF LAW**

12. Respondent violated KRS 292.330(11).

13. Respondent violated KRS 292.440.

14. Respondent violated 808 KAR 10:440, Section 1(27).

#### **AGREEMENT AND ORDER**

15. To resolve this matter without litigation or adversary proceedings, the DFI and Respondent agree to compromise and settle all claims arising from the above referenced factual background in accordance with the terms set forth herein.

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

a. Grant Talbert shall pay a fine in the amount of fifteen-thousand dollars (\$15,000). The fine shall be payable in two installments of \$7,500.00. The first installment shall be due no later than that date this Agreed Order is tendered to the DFI. The second installment shall be due within 30 day of entry of the Agreed Order. Payments shall be in the form of a certified check or money order made payable to the "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Securities Division – Order, 1025 Capital Center Drive, Suite 200, Frankfort, KY 40601.

b. Grant Talbert shall be suspended from registration as a broker-dealer, agent, investment adviser or investment adviser representative for 16 months commencing upon the date of entry of this Agreed Order.

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

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

19. In consideration of execution of this Settlement Agreement, Respondent, for itself and for its 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 Respondent, ever had, now have, 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.

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

AGREED on this the 6<sup>th</sup> day of JANUARY, 2017.

  
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CHARLES A. RICE  
COMMISSIONER



**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of this Agreed Order was served as follows:

By Messenger Mail to:

Hearing Officer Tim Cocanougher  
Department of HBC  
101 Sea Hero Road, Suite 100  
Frankfort, KY 40601

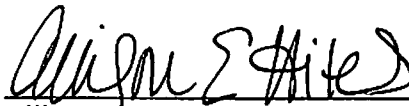
By Certified Mail Return Receipt Request to:

Grant P. Talbert  
2124 Antigua Drive  
Lexington, KY 40509

By Hand-Delivery to:

Hon. Gary W. Adkins  
Kentucky Department of Financial Institutions  
1025 Capital Center Drive, Suite 200  
Frankfort, KY 40601

On this 9 day of January, 2017.



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Allison Hiles  
Kentucky Department of Financial Institutions  
1025 Capital Center Drive, Suite 200  
Frankfort, KY 40601