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COMMISSIONERS OFFICE

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2020-AH-0004

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

AGREED ORDER

GREEN SQUARE CAPITAL LOUISVILLE, LLC

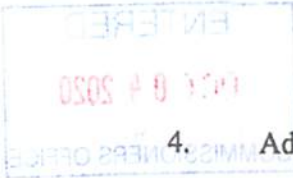
RESPONDENT

FACTUAL BACKGROUND

1. The Kentucky Department of Financial Institutions (DFI) is responsible for administering the provisions of Kentucky Revised Statutes (KRS) Chapter 292, Kentucky Administrative Regulations (KAR), the Securities Act of Kentucky (the "Act"), as well as the rules and regulations enacted thereunder.

2. Respondent Green Square Capital Louisville, LLC (hereafter "GSC Louisville" or "Respondent") is an investment advisory firm. GSC Louisville is a registered Memphis, Tennessee company, with a principal address of 6075 Poplar Avenue, Suite 212, Memphis, Tennessee, 38119. GSC Louisville's business office was located at 4360 Brownsboro Road, Louisville, Kentucky, 40207. The registered agent for service of process for GSC Louisville is Richard Finch at 949 South Shady Grove Road, Suite 401, Memphis, Tennessee, 38120.

3. On March 31, 2019, DFI's Division of Securities received Respondent's application for registration as an Investment Adviser. During the review of the registration application, DFI discovered that Respondent filed an ADV on May 11, 2017, to terminate its SEC registration. As a result, Respondent was not registered with any state or federal regulatory agency and did not qualify for an exemption from registration, yet continued to engage in IA activities.



4. Additionally, GSC Louisville employed three (3) individuals who performed advisory services at its Kentucky location who were not registered as investment adviser representatives following Respondent's May 11, 2017 termination of its SEC registration.

STATUTORY AUTHORITY

5. KRS 292.310(11) defines an "Investment adviser" as, "any person who, for compensation, directly or indirectly, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities."

6. KRS 292.310(12) defines an "Investment adviser representative" as, "an individual employed by or associated with an investment adviser or covered adviser and who makes any recommendations or otherwise gives investment advice regarding securities, manages accounts or portfolios of clients, determines which recommendations or advice regarding securities should be given, provides investment advice or holds himself or herself out as providing investment advice, receives compensation to solicit, offer, or negotiate for the sale of or for selling investment advice, or supervises employees who perform any of the foregoing."

7. KRS 292.330(8) states, "It is unlawful for any person to transact business in this state as an investment adviser unless the person is registered under this chapter as an investment adviser or is exempt from registration under subsection (9) of this section."

8. KRS 292.330(10) states, "It is unlawful for an investment advisor to employ or associate with an investment adviser representative unless the representative is registered under this chapter or exempt from registration."

9. KRS 292.332(1) states, "It is unlawful for a covered adviser to transact business in this state as a covered adviser unless the covered adviser has made a notice filing under subsection (2) of this section or is exempt from the requirement to make a notice filing under subsection (3) of this section.

10. KRS 292.332(2) states, in relevant part, "A person transacting business as a covered adviser in this state, who is not exempt under subsection (3) of this section, shall make a notice filing consisting of a copy of those documents filed by the covered adviser with the United States Securities and Exchange Commission and pay the fee prescribed by this chapter."

11. 808 KAR 10:450 § 2 provides, in relevant part, that it "shall be considered either a breach of fiduciary duty or a dishonest and unethical practice..." to misrepresent to any advisory client, or prospective advisory client, the qualifications of the investment advisor or an employee of the investment adviser.

12. The Commissioner possesses a range of administrative authority in addressing violations of the Act, including the imposition of civil fines up to twenty thousand dollars (\$20,000) for each violation of the Act. *See* KRS 292.337; KRS 292.500(14).

AGREEMENT AND ORDER

13. To resolve this matter without litigation or other adversary proceedings, 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.

14. In the interest of economically and efficiently resolving the violations described, without admitting or denying the allegation contained herein, DFI and Respondent hereby agree as follows:

- a. Respondent shall cease and desist from any further violations of the Act;

- b. Respondent agrees to pay a civil fine in the amount of **twenty-five thousand dollars (\$25,000)** for the violations described herein, which shall be due and payable upon the entry of this Agreed Order; and
- c. All payments under this Order shall be in the form of a **certified check or money order** made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Securities Division, 2020-AH-0004, 500 Mero Street 2SW19, Frankfort, Kentucky 40601.

15. 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 Agreed Order.

16. Respondent consents to and acknowledges the jurisdiction of DFI over this matter and recognizes that this Agreed Order is a matter of public record and may be disseminated as such.

17. In consideration of execution of this Agreed Order, Respondent for itself, and for its 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 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 investigation, this disciplinary action, this settlement or its administration.

18. 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.

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

IT IS SO ORDERED on this the 25th day of September, 2020.

Charles A. Vice

Digitally signed by: Charles A. Vice
DN: CN = Charles A. Vice email =
charles.vice@ky.gov C = AD O = KY
DFI OU = KY Public Protection Cabinet
Date: 2020.09.25 17:34:11 -04'00'

CHARLES A. VICE, COMMISSIONER

Consented to:

This 25th day of September, 2020

[Signature]
Director, Division of Securities
Department of Financial Institutions

Consented to:

This 17th day of JULY, 2020

[Signature]
Authorized Representative for
Green Square Capital Louisville, LLC

ACKNOWLEDGEMENT

STATE OF Tennessee)
COUNTY OF Shelby)

On this the 17 day of July, 2020, before me Annie Givens, the undersigned, Richard Finch, did personally appear and acknowledge himself/herself to be the authorized representative of Green Square Capital Louisville, LLC, and that he/she, 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: 8-29-2020

[Signature]
Notary Public



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Agreed Order** was sent by certified United States mail, return receipt requested, on this the 4th day of October, 2020, to the following:

Green Square Capital Louisville, LLC
c/o Green Square Capital, LLC
6075 Poplar Ave, Suite 212
Memphis, TN 38119

Richard Finch
c/o Green Square Wealth Management
949 Shady Grove Rd, Suite 401
Memphis, TN 38120

Via Hand-Delivery to:

Hon. Christine Foster
500 Mero Street 2SW19
Frankfort, KY 40601
Counsel for Department of Financial Institutions



Kentucky Department of Financial Institutions