



COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2021-AH-0029

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

AGREED ORDER

RIK SAYLOR FINANCIAL, INC.
and ERIC HAMBERG

RESPONDENTS

STATEMENT OF FACTS

1. The Kentucky Department of Financial Institutions (hereinafter, the “Department”) is responsible for administering the provisions of Kentucky Revised Statutes (KRS) Chapter 292, the Securities Act of Kentucky (hereinafter, the “Act”), as well as any applicable rules, regulations, and orders enacted pursuant to the Act.

2. Rik Saylor Financial, Inc. (hereinafter “RSF”) is a corporation formed in the state of Ohio, with a principal address at 1241 Nilles Road, Fairfield, OH 45014.

3. Eric Hamberg was an employee of RSF at all times relevant to the subject facts, operating on behalf of RSF in its dealings in the business of securities.

4. On May 18, 2020, the Department’s Division of Securities, Licensing & Registration Branch received an investment adviser application, Form ADV, from RSF.

5. On April 5, 2021, the Division of Securities performed an asset verification with National Financial Services LLC.

6. On April 19, 2021 National Financial Services LLC returned a client list enumerating nine (9) clients residing in Kentucky.

7. On May 25, 2021, in light of the number of Kentucky clients discovered on the client list, the matter was referred to the Enforcement Branch for potential violations of unregistered activity.

8. Prior to June 2019, RSF had four (4) clients in Kentucky.
9. Between June 2019 and May 2021, the RSF acquired five (5) new clients in Kentucky, bringing RSF's total Kentucky clients to nine (9).
10. Mr. Hamberg performed tasks as an investment adviser representative for over five (5) of the nine (9) Kentucky clients.

STATUTORY AUTHORITY

11. KRS 292.330(8) states, in pertinent part,

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...

12. KRS 292.330(9)(b) states, in pertinent part,

The following investment advisers are exempt from the registration requirement of subsection (8) of this section:

...
(b) An investment adviser who... does not have more than five (5) clients other than those specified in paragraph (a) of this subsection.

13. KRS 292.330(11) states,

It 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 or is exempt from registration under subsection (12) of this section.

14. KRS 292.330(12) states,

The following investment adviser representatives are exempt from the registration requirement of subsection (11) of this section:

(a) An investment adviser representative who is employed by or associated with an investment adviser that is exempt from registration under this chapter or a federal covered adviser that is excluded from the notice filing requirements under this chapter; and

(b) Any other investment adviser representative exempted from registration by rule or order under this chapter.

15. KRS 292.470 states, in pertinent part,

Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this

chapter or any rule or order under this chapter, the commissioner may in his or her discretion bring any or all of the following remedies:...

- (3) Issue a final order, after notice and an opportunity for a hearing, containing findings of fact and conclusions of law, directing any person or persons found to have engaged in, or about to be engaged in, activity that constitutes a violation of this chapter or any rule or order under this chapter:
 - (a) To cease and desist from the activity;
 - (b) To perform any other reasonable mandates directed by the commissioner pursuant to an appropriate remedy fashioned by the commissioner and reasonably calculated to carry out the provisions of this chapter; or
 - (c) To pay fines assessed under KRS 292.500(14) and costs assessed under KRS 292.500(15).

16. KRS 292.500(14) states, in pertinent part,

The commissioner may impose civil fines against any person who violates any provision of this chapter or any rule or order or voluntary agreement entered into under this chapter. The fine shall not exceed twenty thousand dollars (\$20,000) per violation...

VIOLATION

17. RSF was not appropriately registered with the Department as an investment adviser, when it served nine (9) Kentucky clients from June 2019 to May 2021, which is in contravention of KRS 292.330(8) and outside of the exception presented in KRS 292.330(9)(b).

18. Mr. Hamberg was not appropriately registered with the Department as an investment adviser representative, when he served over five (5) Kentucky clients from June 2019 to May 2021, which is in contravention of KRS 292.330(11) and outside of the exception presented in KRS 292.330(12).

AGREEMENT AND ORDER

1. Respondents neither admit nor deny violating any provision of KRS 292 or the regulations promulgated thereunder.

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

3. In the interest of economically and efficiently resolving the violations described herein, it is hereby **AGREED** and **ORDERED**:

i. Respondents agree to pay a civil fine in the amount of **one thousand dollars (\$1,000.00)** for the violations described herein, which shall be due and payable within thirty (30) days of the entry of this Order;

ii. All payments under this Order shall be in the form of an ACH payment made via secure website, pursuant to instructions provided to Respondents, or by a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Securities Division, 2021 AH-0029, 500 Mero Street, Frankfort, Kentucky 40601;

iii. Respondents shall cease and desist from any future violations of the Securities Act of Kentucky;

iv. Respondents waive the right to demand a hearing at which they would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on their own behalf, or to otherwise appeal or set aside this Agreed Order;

v. Respondents consent to and acknowledge the jurisdiction of the Department over this matter and that this Agreed Order is a matter of public record and may be disseminated as such;

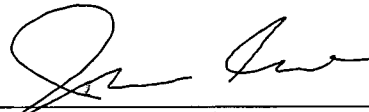
vi. In consideration of execution of this Agreed Order, Respondents for themselves, and for their successors and assigns, hereby release and forever discharge the Commonwealth of Kentucky, the Department, Office of Legal Services, and each of their

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 Respondents 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;

vii. 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; and

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

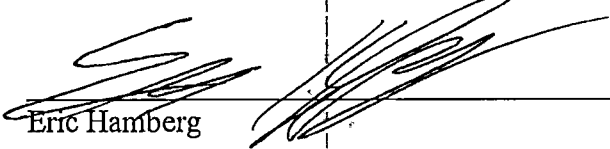
SO ORDERED on this the 16th day of December, 2021.



CHARLES A. VICE COMMISSIONER	Justin M. Burse, Deputy Commissioner on behalf of
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On his own behalf,

This 8 day of December, 2021.

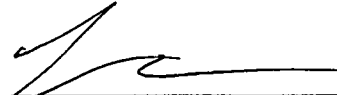

Eric Hamberg

ACKNOWLEDGEMENT

STATE OF OHIO)
)
COUNTY OF BUTLER)

On this the 8th day of December, 2021, the undersigned did personally appear before me and acknowledged in my presence that, being authorized to do so, he did enter into and execute the foregoing instrument, on behalf of himself, for the purposes therein contained.

My Commission Expires: 03/01/2022



Notary Public



NATHANIAL PARKER
NOTARY PUBLIC
STATE OF OHIO
Comm. Expires
03-01-2022
Recorded in
Butler County

CERTIFICATE OF SERVICE

27th I certify that a true and correct copy of the foregoing Agreed Order was sent on this the 27th day of December, 2021 by the method indicated below to the following:

Via certified mail, return receipt requested:

Rik Saylor
RIK SAYLOR FINANCIAL, INC.
1241 Niles Road
Fairfield, Ohio 45014
Representative of Respondent
Rik Saylor Financial, Inc.

Eric Hamberg
6640 Chessie Drive
West Chester, Ohio 45069
Respondent

Via electronic delivery:

Brandon Adcock, Staff Attorney III
DEPARTMENT OF FINANCIAL INSTITUTIONS
500 Mero Street
Frankfort, KY 40601
brandon.adcock@ky.gov
Counsel for Department of Financial Institutions

Kentucky Department of Financial Institutions

Name: Allison Reed by Mary Johnson

Title: Executive Staff Advisor