

**STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

In the matter of:

Agency Nos. 328120, 330666

GOLDENEYE ASSET MANAGEMENT, LLC  
CRD# 170983

Respondent.

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This <sup>Issued and entered</sup> 14 day of February, 2017

NOTICE AND ORDER TO CEASE AND DESIST

Julia Dale, the Director of the Corporations, Securities & Commercial Licensing Bureau (the "Administrator"), pursuant to her statutory authority and responsibility to administer and enforce the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* ("Securities Act"), hereby orders Goldeneye Asset Management, LLC ("Respondent") to cease and desist from acting as an unregistered investment adviser, contrary to the Securities Act. Respondent is notified of the opportunity to request a hearing in this matter.

**I. BACKGROUND**

**A. The Respondent**

1. Goldeneye Asset Management, LLC (IARD#170983) became registered as an investment adviser pursuant to the Securities Act in or around June of 2014. Respondent is owned and operated by Steven W. King, a registered investment adviser representative associated with Respondent whose registration was suspended concurrently with a suspension issued against Respondent's registration.
2. Respondent's registration as an investment adviser was suspended on or around February 10, 2016 due to its and Steven W. King's refusal to cooperate with an examination of the investment adviser. (Exhibit 1 – Goldeneye Summary Suspension Order; Exhibit 2 – Goldeneye Final Suspension Order).

**C. Findings of Fact**

1. The Bureau conducted an investigation of Respondent's Activities.
2. The investigation developed evidence that, throughout 2016, Respondent – through the efforts of Steven W. King – ignored the suspension orders issued by the Bureau (Exhibits 1 and 2), and continued to hold itself out to the public as an investment adviser and to provide investment advice to the public for compensation.

**II. RELEVANT STATUTORY PROVISIONS**

1. Section 102(e) of the Securities Act, MCL 451.2102(e) defines "investment adviser", in part, as:

"Investment adviser" means a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation...

2. Section 403(1) of the Securities Act, MCL 451.2403(1), states:

(1) A person shall not transact business in this state as an investment adviser unless the person is registered under this act as an investment adviser or is exempt from registration as an investment adviser under subsection (2).

3. Section 503(1) of the Securities Act, MCL 451.2503(1), states:

In a civil action or administrative proceeding under this act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the exemption, exception, preemption, or exclusions.

### **III. CONCLUSIONS OF LAW**

1. Respondent Goldeneye Asset Management, LLC acted as an investment adviser in the State of Michigan while its registration was ineffective due to a suspension order issued by the Bureau, contrary to section 403(1) of the Securities Act, MCL 451.2403(1).

### **IV. ORDER**

IT IS THEREFORE ORDERED, pursuant to section 604 of the Securities Act, MCL 451.2604, that:

- A. Respondent shall immediately CEASE AND DESIST from acting as an unregistered investment adviser, contrary to the Securities Act.
- B. Pursuant to section 604(2) of the Securities Act, this Notice and Order to Cease and Desist is IMMEDIATELY EFFECTIVE.
- C. In her Final Order, the Administrator, under section 604(4) of the Securities Act, MCL 451.2604(4), intends to impose a civil fine of \$10,000.00 against Respondent.
- D. Pursuant to section 508 of the Securities Act, MCL 451.2508, a person that willfully violates the Securities Act, or an order issued under the Securities Act, is guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than \$500,000.00 for each violation, or both. An individual convicted of violating a rule or order under this act may be fined, but shall not be imprisoned, if the individual did not have knowledge of the rule or order.

### **V. NOTICE OF OPPORTUNITY FOR HEARING**

Section 604 of the Securities Act, MCL 451.2604, provides that Respondent has 30 days beginning with the first day after the date of service of this Notice and Order to Cease and Desist to submit a written request to the Administrator asking that this matter be scheduled for a hearing. If the Administrator receives a written request in a timely manner, the Administrator shall schedule a hearing within 15 days after receipt of the request. The written request for a hearing must be addressed to:

Corporations, Securities & Commercial Licensing Bureau  
Regulatory Compliance Division  
P.O. Box 30018  
Lansing, MI 48909

Notice & Order to Cease & Desist  
Goldeneye Asset Management, LLC (CN 328120, 330666)  
CRD#4502999

## VI. ORDER FINAL ABSENT HEARING REQUEST

- A. Under section 604 of the Securities Act, MCL 451.2604, the Respondent's failure to submit a written request for a hearing to the Administrator within 30 days after the service date of this **NOTICE AND ORDER TO CEASE AND DESIST** shall result in this order becoming a **FINAL ORDER** by operation of law. The **FINAL ORDER** includes the imposition of the fines cited described in section IV.C., and the fine amounts set forth below will become due and payable to the Administrator within sixty (60) days after the date this order becomes final:

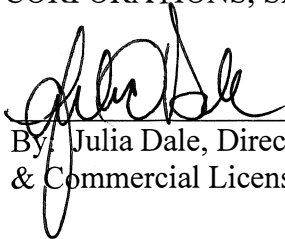
\$10,000.00 – Goldeneye Asset Management, LLC, under  
section 604 of the Securities Act, MCL 451.2604.

- B. CIVIL FINE payments should be payable to the STATE OF MICHIGAN and contain identifying information (e.g., names and complaint numbers) and mailed to the following address:

Corporations, Securities & Commercial Licensing Bureau  
Final Order Monitoring  
P.O. Box 30018  
Lansing, MI 48909

- C. Failure to comply with the terms of this Order within the time frames specified may result in additional administrative penalties, including the summary suspension or continued suspension of all registrations held by Respondent under the Securities Act, the denial of any registration renewal, and/or the denial of any future applications for registration, until full compliance is made. Respondent may voluntarily surrender or withdraw a registration under the Securities Act; however, the surrender or withdrawal will not negate the summary suspension or continued suspension of the relevant registrations or any additional administrative proceedings if a violation of this Order or the Securities Act occurred.
- D. Failure to pay the civil fines within six (6) months after this Order becomes final may result in the referral of the civil fines to the Michigan Department of Treasury for collection action against Respondents.

CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU



By: Julia Dale, Director, Corporations, Securities  
& Commercial Licensing Bureau

2/1/17  
Date

**STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

In the matter of:

Agency Nos. 328120 & 330666

GOLDENEYE ASSET MANAGEMENT, LLC  
CRD# 170983

Respondent.

\_\_\_\_\_ /

Issued and entered  
This 1<sup>st</sup> Day of February, 2017

**NOTICE OF INTENT TO REVOKE  
INVESTMENT ADVISER REGISTRATION**

**I. RELEVANT FACTS AND APPLICABLE LAW.**

Relevant information and statutory provisions, under the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* (the "Securities Act"):

1. Goldeneye Asset Management, LLC (CRD#170983) ("Respondent") is a Michigan limited liability company that is registered as an investment adviser in this state. Respondent was founded by and is wholly owned by Steven W. King ("Mr. King"), a registered investment adviser representative of the firm.
2. Mr. King's investment adviser representative registration (Exhibit 1 – King Suspension) and Respondent's investment adviser registration (Exhibit 2 – Respondent Suspension) were suspended on or around February 10, 2016 because they impeded an examination of Respondent by the Corporations, Securities & Commercial Licensing Bureau ("the Bureau") within the State of Michigan Department of Licensing and Regulatory Affairs.
3. The Bureau began a routine examination of Respondent in or around October of 2015 pursuant to authority granted by section 411(4) of the Securities Act, MCL 451.2411(4). Mr. King and Respondent refused to cooperate with the examination, and were summarily suspended as a result. (Exhibits 1 and 2).
4. In or around September of 2016, Bureau staff reached out to Mr. King in an effort to determine whether Respondent was still operating as an investment adviser in the State of Michigan. In or around October of 2016, Mr. King confirmed that Respondent was still operating as an investment adviser, notwithstanding the suspensions issued to Respondent and Mr. King by the Bureau in or around February of 2016.

5. A Notice and Order to Cease and Desist was issued against Respondent for its activities as an unregistered investment adviser. (Exhibits 3 – Respondent C&D Order).
6. In October of 2016, Mr. King told Bureau staff that he and Respondent intended to cooperate with the Bureau's examination of Respondent in an effort to have the suspensions lifted.
7. On or around November 1, 2016, Mr. King and Respondent were notified by Bureau staff that the examination would be reinitiated. Mr. King was directed to have specific information prepared, and assured Bureau staff that he and Respondent would be prepared to comply with the examination.
8. Bureau staff drove from the Bureau's office in Okemos, Michigan to Traverse City, Michigan – over 300 miles roundtrip – on or around November 3, 2016 to conduct the examination, only to find Respondent and Mr. King were totally unprepared to provide relevant information necessary to complete the examination.
9. Thereafter, Mr. King made representations that he had or was about to mail necessary information to the Bureau; however, as of the date of this Notice of Intent to Revoke Investment Adviser Registration, neither Mr. King nor Respondent have taken any steps to provide necessary information or to otherwise comply with the Bureau's examination.<sup>1</sup>
10. The Director ("Administrator") of the Bureau has reviewed materials relating to Respondent's actions as a registrant under the Securities Act. The Administrator has determined that the REVOCATION OF RESPONDENT'S REGISTRATION AS AN INVESTMENT ADVISER is authorized, appropriate, and in the public interest based upon Respondent's conduct discussed above and hereafter.
11. Section 412(2) of the Securities Act, MCL 451.2412(2), states:

If the administrator finds that the order is in the public interest and subsection (4) authorizes the action, an order under this act may revoke... the registration of a registrant and if the registrant is a broker-dealer or investment adviser, of a partner, officer, or director, or a person having a similar status or performing similar functions, or a person directly or indirectly in control of the broker-dealer or investment adviser...
12. Section 412(3) of the Securities Act, MCL 451.2412(3) states:

If the administrator finds that the order is in the public interest and subsection (4)(a) to (f), (i) to (j), or (l) to (n) authorizes the action, an order under this act may censure,

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<sup>1</sup> Mr. King and Respondent were initially informed of the information required to be provided in or around October of 2015, but still have failed to make any effort to provide it.

impose a bar, or impose a civil fine in an amount not to exceed a maximum of \$10,000.00 for a single violation or \$500,000.00 for more than 1 violation on a registrant and, if the registrant is a broker-dealer or investment adviser, on a partner, officer, or director, a person having a similar status or performing similar functions, or a person directly or indirectly in control of the broker-dealer or investment adviser.

13. Section 412(4) of the Securities Act, MCL 451.2412(4) states in relevant part:

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(b) The person willfully violated or willfully failed to comply with this act or the predecessor act or a rule adopted or order issued under this act or the predecessor act within the previous 10 years.

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(h) The person refuses to allow or otherwise impedes the administrator from conducting an audit or inspection under section 411(4) or refuses access to a registrant's office to conduct an audit or inspection under section 411(4).

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(l) The person is the subject of a cease and desist order issued by the securities and exchange commission or issued under the securities, commodities, investment, franchise, banking, finance, or insurance laws of a state.

(m) The person has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business within the previous 10 years...

14. Section 412(7) of the Securities Act, MCL 451.2412(7) states:

(7) Except under subsection (6), an order shall not be issued under this section unless all of the following have occurred:

- (a) Appropriate notice has been given to the applicant or registrant.
- (b) Opportunity for hearing has been given to the applicant or registrant.
- (c) Findings of fact and conclusions of law have been made on the record pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

15. The Administrator may revoke Respondent's investment adviser registration pursuant to section 412(2) of the Securities Act, MCL 451.2412(2), because it is in the public interest, and because:

- a. Respondent, through Mr. King, willfully violated or failed to comply with the Securities Act by acting as an unregistered investment adviser, contrary to section 403(1) of the Securities Act, MCL 451.2403(1);
- b. Respondent, through Mr. King, impeded the Bureau's examination, contrary to section 411(4), MCL 451.2411(4), by refusing to provide relevant documents or otherwise provide relevant information necessary to establish compliance with the Securities Act; Respondent continues to impede the Bureau's examination or inspection of the firm, contrary to section 412(4)(h), MCL 451.2412(4)(h);
- c. Respondent, through Mr. King, engaged in dishonest or unethical behaviors in the securities industry by continually representing to Bureau staff that he was gathering information to cooperate with the Bureau's examination, when he never actually took steps necessary to comply, contrary to section 412(4)(m), MCL 451.2412(4)(m).

## **II. ORDER.**

The Administrator finds that this ORDER is authorized, appropriate, and in the public interest based on the above-cited facts and law.

IT IS ORDERED as follows:

1. The Administrator intends TO REVOKE THE INVESTMENT ADVISER REGISTRATION OF GOLDENEYE ASSET MANAGEMENT, LLC under section 412(2) of the Securities Act, MCL 451.2412(2), because it willfully violated the Securities Act; it impeded the Bureau's examination; and it has engaged in dishonest or unethical business practices in the securities industry within the previous 10 years, all of which support the revocation of its investment adviser registration under the above-cited provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 *et seq.*
2. In accordance with section 412(3) of the Securities Act, MCL 451.2412(3), the Administrator intends to impose a civil fine in the amount of \$30,000.00 against Respondent in her Final Order revoking Respondent's investment registration.
3. In accordance with sections 412(2) and 412(7) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(7): This is NOTICE that the Administrator intends to commence administrative proceedings to REVOKE Respondent's investment adviser registration, and that Respondent has thirty (30) days after the date that this Order is served on Respondent to respond in writing to the enclosed Notice of Opportunity to Show Compliance. If the Administrator timely receives a written request, depending upon the election, the Administrator shall either promptly schedule a compliance conference, or schedule a hearing within fifteen (15) days after receipt of the written request. If you fail to respond to this Notice and Order within the time frame specified, the Administrator shall schedule a hearing. If a



hearing is requested or ordered, the Administrator, after notice of and an opportunity for hearing to Respondent, may modify or vacate this Order or extend the Order until final determination.

**If Respondent requests a hearing, the request must be in writing and filed with the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, Regulatory Compliance Division, P.O. Box 30018, Lansing, MI 48909.**

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

By:

  
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Julia Dale, Administrator and Director  
Corporations, Securities & Commercial Licensing Bureau