



STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

RICK SNYDER  
GOVERNOR

SHELLY EDGERTON  
DIRECTOR

In the matter of:

Docket No. 17-003806

DOUGLAS S. MILLER  
CRD# 1946240

Agency No. 329681

Respondent.

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**FINAL ORDER**

1. This matter came before the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau ("Department") under the Michigan Uniform Securities Act (2002), MCL 451.2101 *et seq.* (the "Act"), and associated administrative rules.
2. The Director of the Corporations, Securities & Commercial Licensing Bureau, who is the Administrator of the Act (the "Administrator"), received the Proposal for Decision (the "PFD") in accordance with MCL 451.2412 and the Administrative Procedures Act of 1969, MCL 24.201 *et seq.*
3. The Administrator considered the Findings of Fact and Conclusions of Law in the PFD of Thomas A. Halick, Administrative Law Judge, dated July 7, 2017, the complete hearing record, and the hearing transcript.
4. The Administrator makes the following Findings of Fact and Conclusions of Law:
  - a. On or around May 17, 2016, Respondent became subject to an order by the Financial Industry Regulatory Authority (FINRA) as a result of an Acceptance, Waiver, and Consent he entered into with FINRA barring him from associating with any FINRA member. The AWC made no findings regarding Respondent's intent.
  - b. MCL 451.2412(2) permits the Administrator to issue an order revoking a registration under the Act if she "finds that the order is in the public interest and MCL 451.2412(4) authorizes the action."
  - c. Respondent is the subject of an order by a self-regulatory organization, barring him from membership in FINRA in violation of MCL 451.2412(4)(e)(iii).

d. Revocation of Respondent's investment adviser representative registration is authorized solely under MCL 451.2412(2) & (4)(e)(iii).

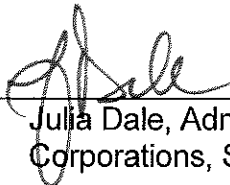
5. There is no fine.

**THEREFORE, IT IS ORDERED**, that Respondent's investment adviser representative registration is immediately revoked as authorized by section 412(2) & (4)(e)(iii) of the Act, MCL 451.2412(2) & (4)(e)(iii).

**This Final Order is effective immediately upon its mailing.**

Given under my hand at Okemos, Michigan, this 7<sup>th</sup> day of March, 2018.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

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

Date mailed: March 9, 2018

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

In the matter of:

Agency No. 329681

DOUGLAS S. MILLER  
CRD# 1946240

Respondent.  
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Issued and entered  
This 9<sup>th</sup> day of November, 2016

**NOTICE OF INTENT TO REVOKE  
INVESTMENT ADVISER REPRESENTATIVE 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. Douglas S. Miller (CRD#1946240) ("Respondent") is registered as an investment adviser representative through Private Wealth Consultants, Ltd. (CRD#112602) ("Private Wealth Consultants"), a federal covered investment adviser that is notice-filed in Michigan. Respondent has been registered as an investment adviser representative through the Firm since on or around February 17, 2012.
2. Respondent was previously registered as a securities agent in Michigan through Triad Advisors, Inc. (CRD#25803) ("Triad"), a Michigan-registered broker-dealer. Respondent's registration through Triad was terminated on or around July 14, 2014, when Respondent was permitted to resign from Triad while he was under an internal review for violating Triad's policies and procedures related to private securities transactions. (Exhibit 1 – Triad U5 Filing).
3. Respondent became subject to a bar from the Financial Industry Regulatory Authority ("FINRA") on or around May 17, 2016 as a result of an Acceptance, Waiver, and Consent ("AWC") entered into by Respondent and FINRA. (Exhibit 2 – FINRA AWC). The bar related to violations of various FINRA rules in relation to private securities transactions Respondent effectuated without disclosing the transactions to Triad.
4. The Corporations, Securities & Commercial Licensing Bureau ("the Bureau") within the Department of Licensing and Regulatory Affairs opened an investigation to review Respondent's securities activities.

5. The Bureau's investigation developed evidence that in or around May of 2016, Respondent became subject to an order, issued after notice and an opportunity for hearing, by FINRA, a self-regulatory organization, which permanently barred Respondent from associating with any FINRA member. (Exhibit 2).
6. The Bureau's investigation also developed evidence that Respondent misled his then-employing broker-dealer, Triad about the nature of the private securities transactions. Triad affirmatively asked Respondent about the private securities transactions, and Respondent repeatedly described them to Triad as "legacy holdings" that the clients had held prior to establishing a professional relationship with Respondent. (Exhibit 3 – Excerpt of Triad Compliance Department Notes). In reality, however, the holdings had been sold to the clients between 2010 and 2014 (Exhibit 2), while Respondent was associated with Triad, and Respondent concealed<sup>1</sup> them from Triad until they were discovered in 2016 after an investigation by the broker-dealer's compliance department staff.
7. 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 REPRESENTATIVE is authorized, appropriate, and in the public interest based upon Respondent's conduct discussed above and hereafter.
8. 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...

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

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(e) The person is the subject of an order, issued after notice and opportunity for hearing by any of the following:

(iii) The securities and exchange commission or a self-regulatory organization suspending or expelling the registrant from membership in a self-regulatory organization.

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<sup>1</sup> Notes taken by the Triad Compliance Department quote Respondent as stating, "Oh ok. I admit there was not full disclosure. When you started asking questions I knew something was wrong and didn't give all the information." (Exhibit 3 – Excerpt of Triad Compliance Notes).

(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...

10. 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.

11. The Administrator may revoke Respondent's investment adviser representative 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 has been barred from association with any FINRA member pursuant to the FINRA AWC executed in May of 2016 (Exhibit 2), causing the applicability of section 412(4)(e)(iii), MCL 451.2412(4)(e)(iii), and giving the Administrator cause to issue an order under sections 412(2) and 412(3) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(3);
- B. Respondent engaged in dishonest or unethical behavior in the securities industry by misleading Triad regarding the nature of private securities transactions in an attempt to conceal them from the broker-dealer, causing the applicability of section 412(4)(m), MCL 451.2412(4)(m), and giving the Administrator cause to issue an order under sections 412(2) and 412(3) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(3).

## 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 REPRESENTATIVE REGISTRATION OF DOUGLAS S. MILLER under section 412(2) of the Securities Act, MCL 451.2412(2), because he is the subject of an order issued by a self-regulatory organization barring him from membership in the self-regulatory organization; and, because he engaged in dishonest or unethical behavior in the securities industry, which support the revocation of his investment adviser representative registration under the above-cited

provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 *et seq.*

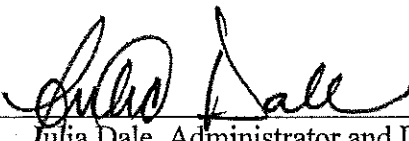
2. In her final order, the Administrator intends to impose a civil fine of \$20,000.00 against Respondent under section 412(3) of the Securities Act, MCL 451.2412(3).

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 representative 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