



STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

RICK SNYDER  
GOVERNOR

SHELLY EDGERTON  
DIRECTOR

In the matter of:

Agency No. 328464

ROBERT BYRKIT MORLEY, JR.  
IARD# 134443

Applicant.

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**FINAL ORDER**

1. This matter came before the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau (the "Bureau"), under the Michigan Uniform Securities Act (2002), MCL 451.2101 *et seq.* (the "Act"), and associated administrative rules.
2. On March 4, 2016, the Bureau Director, who is the Administrator of the Act (the "Administrator"), issued a Notice of Intent to Deny Investment Adviser Registration Application (the "Notice of Intent to Deny") to Robert Byrkit Morley, Jr., a sole proprietorship ("Applicant"). The Notice of Intent to Deny notified Applicant that, pursuant to MCL 451.2412(1) and 451.2412(4)(l) & (m), the Administrator intended to deny its application for registration as an investment adviser in Michigan filed in or around November 2015. The Notice of Intent to Deny also provided Applicant an opportunity to request a hearing under MCL 451.2412(6).
3. On or about May 9, 2016, the Bureau received Applicant's petition for review of the Notice of Intent to Deny, which initially became final absent a timely request for hearing.
4. Applicant agreed to the Stipulation and Order to Dismiss without Prejudice to Hold a MAHS Hearing, which was filed with the Ingham County Circuit Court on May 26, 2016, in *In re Robert Byrkit Morley, Jr. v Corporations, Securities & Commercial Licensing Bureau*, Case No. 16-381-AA. Under the terms of that agreement, the circuit court appeal was dismissed, and Applicant and the Bureau agreed to request an administrative hearing in this matter, consolidated with complaint nos. 327185 and 327186 involving Robert Byrkit Morley, Jr. (CRD#854544), the individual, and Creative Wealth Strategies, Inc. On June 3, 2016, the Administrator issued a Stipulation and Order to Hold Resolution of Investment Adviser Registration Application in Abeyance for Resolution of Cease & Desist Orders ## 327185 and 327186. Under that agreement, Applicant agreed that if, at the conclusion of the administrative hearing regarding the Notices and Orders to Cease and Desist issued against the individual and the corporation on February 4, 2016 ("Cease & Desist

Orders”), the Administrative Law Judge found that one or more of the allegations in the Cease & Desist Orders was supported by the factual findings, then the Notice of Intent to Deny would become final and effective on the date of mailing of the Final Order regarding the Cease & Desist Orders.

5. On April 4, 2017, following the exchange of post-hearing briefs and reply briefs, Administrative Law Judge Thomas A. Halik issued a Proposal for Decision finding that all of the allegations in the Cease & Desist Orders were substantiated, and a Final Order regarding the Cease & Desist Orders was mailed today.
6. The Relevant Facts and Applicable Law set forth in the Notice of Intent to Deny are incorporated in this Final Order by reference. As described more fully in the Notice of Intent to Deny, the Administrator’s denial of Applicant’s investment adviser registration application is warranted under MCL 451.2412(1) and 451.2412(4)(l) & (m), because Robert Byrkit Morley, Jr. is the subject of a cease and desist order issued under the Act, and because he engaged in dishonest or unethical practices in the securities, commodities, investment franchise, banking, finance, or insurance business within the previous 10 years.

**THEREFORE, IT IS ORDERED** that Applicant’s pending application for registration as an investment adviser in Michigan is DENIED.

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

Given under my hand at Okemos, Michigan, this 4<sup>th</sup> day of May, 2017.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

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

Date mailed: May 5, 2017

This is the last and final page of the Final Order in the matter of Robert Byrkit Morley, Jr., Agency No. 328464.

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

In the matter of:

Agency No. 328464

ROBERT BYRKIT MORLEY, JR.  
IARD#: 134443  
CRD#: 854544

Applicant.  
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Issued and entered  
This 4<sup>th</sup> day of March, 2016

**NOTICE OF INTENT TO DENY**  
**INVESTMENT ADVISER REGISTRATION APPLICATION**

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

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

1. Robert Byrkit Morley, Jr. ("Applicant") was previously registered as a sole proprietor investment adviser in Michigan from February of 2007 through December of 2014, when his investment adviser registration lapsed due to a failure to renew the registration. Applicant was also previously registered as a securities agent in Michigan through various broker-dealers from in or around 1983 until in or around 2007.
2. Applicant has not had an effective investment adviser registration in Michigan since on or around December 31, 2014.
3. On or around February 4, 2016, the Director ("Administrator") of the Corporations, Securities, and Commercial Licensing Bureau (the "Bureau") within the State of Michigan, Department of Licensing and Regulatory Affairs, issued a Notice and Order to Cease and Desist against Applicant, because Applicant sold unregistered securities to Michigan investors in violation of Section 301 of the Act, MCL 451.2301, and misstated material information in the offer and sale of securities to Michigan investors, in violation of section 501 of the Act, MCL 451.2501. A copy of the Notice and Order to Cease and Desist is attached as Exhibit 1.
4. On or around November 3, 2015, Applicant filed an application in Michigan for registration as a sole proprietor investment adviser under IARD# 134443.

5. The Administrator reviewed materials relating to the application referred to in paragraph four above. Based on Applicant's past conduct discussed above and hereafter, the Administrator determined that the denial of Applicant's investment adviser registration application is authorized, appropriate, and in the public interest.
6. Section 412(6) of the Act, MCL 451.2412(6), authorizes the Administrator to deny a registration application pending final determination of an administrative proceeding.
7. Section 412(1) of the Act, MCL 451.2412(1), provides that if the Administrator finds that the Order is in the public interest, and MCL 451.2412(4) authorizes the action, the Administrator may issue an Order denying an application for registration as an investment adviser.
8. The Administrator may deny the Applicant's registration application, under sections 412(4)(l) and 412(4)(m) of the Act, MCL 451.2412(4)(l) and MCL 451.2412(4)(m), because Applicant "is the subject of a cease and desist order issued... under the securities, commodities, investment, franchise, banking, finance, or insurance laws of a state," and because Applicant "has engaged in dishonest or unethical practices in the securities, commodities, investment franchise, banking, finance, or insurance business within the previous 10 years."

## 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:

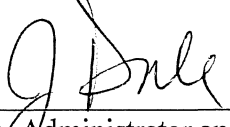
1. The Administrator intends to DENY the INVESTMENT ADVISER REGISTRATION APPLICATION OF ROBERT BYRKIT MORLEY, JR., under section 412(1) of the Act, MCL 451.2412(1), because Applicant is the subject of a cease and desist order issued by the Administrator, and because Applicant has engaged in dishonest and unethical practices in the securities industry within the last 10 years, which supports the denial of his registration application 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(1) and (6) of the Act, MCL 451.2412(1) and (6): This is NOTICE that the Administrator intends to deny Applicant's investment adviser registration application, and that Applicant has thirty (30) calendar days after the date that this Order is served on Applicant to submit a written request to the Administrator that this matter be scheduled for a hearing. If the Administrator timely receives a written request, the Administrator shall schedule a hearing within 15 days after receipt of the written request. If a hearing is not requested by Applicant or is not ordered by the Administrator within 30 days after the date of service of this Order, Applicant's application investment adviser registration

will be DENIED. If a hearing is requested or ordered, the Administrator, after notice of and an opportunity for hearing to Applicant, may modify or vacate this Order or extend the Order until final determination.

**If Applicant 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: \_\_\_\_\_

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

# EXHIBIT 1

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

In the Matter of:

Complaint No. 327185

ROBERT BYRKIT MORLEY, JR. (CN 327185)  
CRD#854544  
IARD#134443

Respondent.

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Issued and entered  
This 4<sup>th</sup> day of February, 2016

NOTICE AND ORDER TO CEASE AND DESIST

Julia Dale, the Acting 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 Robert Byrkit Morley, Jr. ("Respondent") to cease and desist from selling unregistered securities, and to cease and desist from continuing to directly or indirectly make any untrue statements of material fact, or omit to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, contrary to the Securities Act. Respondent is also notified of the opportunity to request a hearing in this matter.

I. BACKGROUND

A. The Respondent

1. Robert Byrkit Morley, Jr. is an individual who was registered as a sole proprietor investment adviser (IARD#134443) in Michigan from August 13, 2007 until on or around December 31, 2014, when his sole proprietor investment adviser firm failed to renew its registration. Mr. Morley filed a new application for registration as a sole proprietor investment adviser on or

around November 3, 2015; the application remains pending. Mr. Morley was registered as an investment adviser representative of his sole proprietor investment adviser from September 14, 2010 until December 31, 2014. Mr. Morley was also previously registered as a securities agent (CRD#854544) in Michigan with various broker-dealers from 1978 until 2007.

**B. Findings of Fact**

1. The Bureau conducted an investigation of the activities of Respondent.
2. The investigation developed evidence that Respondent sold securities in the form of investment contracts to two Michigan investors, Investor 1 and Investor 2. The investment contracts were not registered pursuant to the Securities Act.
3. Respondent has not identified any exemptions, exceptions, preemptions, or exclusions from the Securities Act applicable to the sales of the investment contracts to the Michigan investors.
4. Respondent represented in his Form ADV that he would not sell to investment advisory clients any securities in which he or a related person had a proprietary interest.
5. Respondent incorporated Creative Wealth Strategies, Inc. on or around January 24, 2001.
6. Respondent sold Creative Wealth Strategies, Inc. securities to two Michigan investors who were also investment advisory clients, notwithstanding the fact that Mr. Morley had represented in his Form ADV that he would not sell securities in which he had a proprietary interest to investment advisory clients.
7. The two Michigan investors who purchased securities from Respondents were more than sixty years old at the times of the transactions.

**II. RELEVANT STATUTORY PROVISIONS**

1. Section 102c(c) of the Securities Act defines "Security", in part, as:

a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust



certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest in or based on the value of that put, call, straddle, option, or privilege on that security, certificate of deposit, or group or index of securities, put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, an investment in a viatical or life settlement agreement; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing...

(v) The term includes an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor. As used in this subparagraph, a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors...

2. Section 301 of the Securities Act, MCL 451.2301, states:

A person shall not offer or sell a security in this state unless 1 or more of the following are met:

- (a) The security is a federal covered security.
- (b) The security, transaction, or offer is exempted from registration under section 201 to 203.
- (c) The security is registered under this act.

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.

4. Section 501 of the Securities Act, MCL 451.2501, states:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security or the organization or operation of a Michigan investment market under article 4A, to directly or indirectly do any of the following:...

(b) Make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading...

### III. CONCLUSIONS OF LAW

1. Respondent offered and sold a security to Investor 1 in the State of Michigan which was not federally covered, exempt from registration, or registered, in violation of section 301 of the Securities Act, MCL 451.2301.
2. Respondent offered and sold a security to Investor 2 in the State of Michigan which was not federally covered, exempt from registration, or registered, in violation of section 301 of the Securities Act, MCL 451.2301.
3. Respondent represented in his Form ADV investment adviser application that he would not sell to investment advisory clients any securities in which he held a proprietary interest; notwithstanding the representation, Mr. Morley sold a Creative Wealth Strategies, Inc. security to Investor 1. The statement regarding sales to advisory clients of securities in which Mr. Morley held a proprietary interest was material, and misleading, in violation of section 501(b) of the Securities Act, MCL 451.2501(b).
4. Respondent represented in his Form ADV investment adviser application that he would not sell to investment advisory clients any securities in which he held a proprietary interest; notwithstanding the representation, Mr. Morley sold a Creative Wealth Strategies, Inc. security to Investor 2. The statement regarding sales to advisory clients of securities in which Mr. Morley held a proprietary interest was material, and misleading, in violation of section 501(b) of the Securities Act, MCL 451.2501(b).

### 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 selling unregistered securities and continuing to directly or indirectly make any untrue statement of a material fact or omit to state material facts necessary in order to make other statements made, in the light of the circumstances under which they were made, not misleading, 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 \$80,000.00 against Robert Byrkit Morley, Jr.
- 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

**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:

\$80,000.00 – Robert Byrkit Morley, Jr., under section 604  
of the Securities Act, MCL 451.2604.

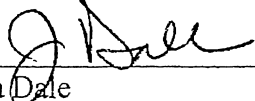
- B. CIVIL FINE payments should be payable to the STATE OF MICHIGAN and contain identifying information (e.g., names and complaint numbers) and mailed to the following address:

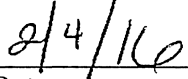
Notice & Order to Cease & Desist  
Robert Byrkit Morley, Jr. (CN 327185)

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 Respondents 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. Respondents 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

  
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Julia Dale  
Acting Director, Corporations, Securities &  
Commercial Licensing Bureau

  
\_\_\_\_\_  
Date