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

In the matters of:

ROYAL SECURITIES COMPANY
CRD# 10702,

Agency No. 331487

ROYAL ADVISERS, LLC
CRD# 145006,

Agency No. 333091

and

TIMOTHY V.H. DUMEZ
CRD# 1839802

Agency No. 331751

Respondents.
_____/

Issued and entered
This 29th day of June, 2018

CONSENT ORDER RESOLVING NOTICES OF INTENT TO CENSURE AND FINE SECURITIES AGENT AND BROKER DEALER AND ADRESSING INVESTMENT ADVISER ISSUES

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

1. On June 1, 2017, the State of Michigan, Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau ("Bureau") and the Director of the Bureau, who serves as the Administrator of the Act ("Administrator"), issued two Notices of Intent to Censure and Fine ("Notices of Intent") against Royal Securities Company ("Royal Securities") and Timothy DuMez ("DuMez") regarding their broker dealer and securities agent registrations.

2. Examinations were also pending regarding Royal Advisers, LLC's ("Royal Advisers") and DuMez's investment adviser and investment adviser representative ("IAR") registrations, respectively.

3. Royal Securities, Royal Advisers, and DuMez were represented by, and had the advice of, legal counsel throughout the process of resolving these issues in Michigan.

4. Royal Securities, Royal Advisers, and DuMez agree to the conditions identified in paragraph B., below, to avoid further proceedings regarding all registrations in Michigan.

B. STIPULATION

Royal Securities, Royal Advisers, DuMez, and the Administrator (collectively, "the Parties") agree that all issues regarding the Notices of Intent and the pending investment adviser and IAR registrations will be resolved with the following conditions:

1. Within fifteen (15) calendar days after the date this Consent Order is mailed, Royal Securities and Royal Advisers will withdraw their respective registrations by submitting forms U5 to the CRD/IARD, and cease all operations in Michigan.

2. Royal Securities and Royal Advisers agree to pay the Department a joint and several civil fine in the amount of five thousand dollars ($5,000.00) within sixty (60) calendar days after the mailing date of this Consent Order. The fine must be paid by cashier's check or money order made payable to the "State of Michigan," contain identifying information (names and "Complaint Nos. 331487 & 333091"), and be mailed to:

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

   If any portion of the fine is overdue for at least six (6) months, the Administrator may refer it to the Michigan Department of Treasury for collection action against Royal Securities and Royal Advisers or take available legal action to collect the fine.

3. DuMez will receive a censure, effective on the mailing date of this Consent Order.

4. DuMez agrees that the Administrator may use any of the facts set out in the June 1, 2017 Notices of Intent if and when considering a future application for registration submitted by DuMez, and DuMez agrees to waive any assertion or

or claim under MCL 451.2412(9) which would otherwise bar the Administrator from consideration of such facts in making her determination.

5. Royal Securities and DuMez neither admit nor deny the factual and legal allegations contained in the June 1, 2017 Notices of Intent for purposes of this Stipulation.

6. The Parties acknowledge and agree that the Administrator retains the right to pursue any action or proceeding permitted by law to enforce compliance with the provisions of this Consent Order, and that failure to comply with this Consent Order may result in additional disciplinary action or a referral of the matter for criminal prosecution, consistent with MCL 451.2508.

7. The Parties further agree that this matter is a public record required to be published and made available to the public, consistent with section 11 of the Michigan Freedom of Information Act, 1976 PA 442, as amended, MCL 15.241. The Administrator currently publishes copies of orders issued under the Act to the Bureau's website and includes a summary of order content in monthly disciplinary action reports separately published on the Bureau's website. The Administrator will also update its Form U6 filed with the CRD.

8. The Parties understand and intend that by signing this Consent Order, they are waiving the right, pursuant to the Act, the rules promulgated under that Act and the Uniform Securities Act (Predecessor Act), 1964 PA 265, MCL 451.501 *et seq.*, and the Administrative Procedures Act, 1969 PA 306, MCL 24.201 *et seq.*, to prior notice and a hearing before an administrative law judge, at which the Bureau would be required to defend any disciplinary action taken under Section 2412 of the Act, MCL 451.2412, by presentation of evidence and legal authority and at which the Parties would be entitled to appear with or without an attorney to cross-examine all witnesses presented by the Bureau and to present such testimony or other evidence or legal authority deemed appropriate.

Through their signatures, the Parties agree to the above terms and conditions.

Dated: 6/21/2018 Signed: Treasurer
Royal Securities Company
Aaron Oudbier

Dated: 6/21/2018 Signed: Treasurer
Royal Advisors, LLC
Aaron Oudbier

Dated: 6/21/18 Signed: _____
Timothy V.H. DuMez

Acknowledged by:

Dated: 6/22/18 Signed: _____
Melvin Moseley, Jr.
Respondents' Attorney

Approved by:

Dated: _____ Signed: _____
Timothy L. Teague
Securities & Audit Division Director
Corporations, Securities & Commercial
Licensing Bureau

C. ORDER

The Administrator NOW, THEREFORE, ORDERS:

THE TERMS AND CONDITIONS IN THIS CONSENT ORDER ARE BINDING AND EFFECTIVE, IN ACCORD WITH THE FULLY EXECUTED STIPULATION CONTAINED HEREIN.

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

Dated: _____ Signed: _____
Timothy V.H. DuMez

Acknowledged by:

Dated: _____ Signed: _____
Melvin Mosely
Respondents' Attorney

Approved by:

Dated: 6.22.18 Signed: Timothy L. Teague
Timothy L. Teague
Securities & Audit Division Director
Corporations, Securities & Commercial
Licensing Bureau

C. ORDER

The Administrator NOW, THEREFORE, ORDERS:

THE TERMS AND CONDITIONS IN THIS CONSENT ORDER ARE BINDING AND EFFECTIVE, IN ACCORD WITH THE FULLY EXECUTED STIPULATION CONTAINED HEREIN.

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

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

In the matter of: Agency No. 331487

ROYAL SECURITIES COMPANY
CRD# 10702

Respondent.
_____/

Issued and entered
This 1st day of June, 2017

NOTICE OF INTENT TO CENSURE AND FINE BROKER-DEALER

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. Royal Securities Company (CRD# 10702) ("Respondent") is a Michigan-domiciled broker-dealer. Respondent first became registered under the Securities Act on or around February 3, 1983. Respondent faced two suspensions by the Financial Industry Regulatory Authority ("FINRA") in December of 2016, including a suspension order effective from December 9, 2016 through December 22, 2016, and another suspension order effective December 12, 2016 through December 22, 2016. Both FINRA suspensions related to Respondent's failure to file required financial statements with FINRA. On or around December 31, 2016, Respondent failed to renew its broker-dealer registration application, and as a result, became unregistered as a broker-dealer in Michigan on January 1, 2017. Respondent became registered again on January 30, 2017.

2. On or around January 19, 2017, the Corporations, Securities and Commercial Licensing Bureau ("the Bureau') within the Department of Licensing and Regulatory Affairs began a surprise on-site and for-cause examination of Respondent based upon the failure to renew its broker-dealer registration at the close of calendar year 2016. The purpose of the examination was to determine if Respondent had continued to engage in broker-dealer activities, despite its lack of registration.

3. The Bureau's examination of Respondent developed evidence that the firm was operating in an unregistered capacity from January 1, 2017 until January 30, 2017. This fact is reflected by Respondent's records that show receipt of securities sales commissions in the amount of approximately $22,841, and mutual fund concessions in the amount of approximately $36,575. Verbal statements regarding Respondent's continued broker-dealer activities to Bureau staff from the firm's President, Chief

Operating Officer, and Chief Compliance Officer, Timothy V. H. DuMez, corroborate these records.

4. Respondent and Mr. Dumez failed to notify the firm's securities agents that the firm's registration in Michigan under the Securities Act had lapsed as of January 1, 2017. Respondent and Mr. Dumez allowed Respondent's agents to effect transactions in securities on behalf of Respondent while required registrations were not effective. The lack of notification to and supervision of agents by Respondent led to the firm receiving commission payments of approximately $22,841 and mutual fund concessions of approximately $36,575 during the period that Respondent was unregistered.

5. 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 it is authorized, appropriate, and in the public interest to censure, impose a bar, or impose a civil fine, based upon Respondent's conduct discussed above and hereafter.

6. Section 412(3) of the Securities Act, MCL 451.2412(3), states:

   (3) 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, 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...

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

   (4) A person may be disciplined under subsections (1) to (3) if any of the following apply to the person:

   ***

   (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.

   ***

   (i) The person has failed to reasonably supervise an agent, investment adviser representative, or other individual, if the agent, investment adviser representative, or other individual was subject to the person's supervision and committed a violation of 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.

   ***

(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…

8. Section 412(6) of the Securities Act, MCL 451.2412(6), states:

   (6) The administrator may suspend or deny an application summarily, restrict, condition, limit, or suspend a registration, or censure, bar, or impose a civil fine on a registrant pending final determination of an administrative proceeding. On the issuance of the order, the administrator shall promptly notify each person subject to the order that the order has been issued, the reasons for the action, and that, within 15 days after the receipt of a request in a record from the person, the matter will be scheduled for a hearing. If a hearing is not requested by a person subject to the order or is not ordered by the administrator within 30 days after the date of service of the order, the order is final. If a hearing is requested or ordered, the administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend the order until final determination.

9. The Administrator may censure, impose a bar, or impose a civil fine pursuant to section 412(3) of the Securities Act, MCL 451.2412(3), because it is in the public interest, and because:

   A. Respondent Royal Securities Company willfully violated or willfully failed to comply with section 401 of the Securities Act, MCL 451.2401, when it continued to engage in broker-dealer activities without the benefit of proper registration from January 1, 2017 through January 30, 2017, causing the applicability of section 412(4)(b) of the Securities Act, MCL 451.2412(4)(b), giving the Administrator cause to issue this order under section 412(3) of the Securities Act, MCL 451.2412(3).

   B. Respondent Royal Securities Company failed to adequately supervise agents by failing to inform Respondent's staff that the firm was unregistered, allowing its staff to effect transactions in securities on behalf of the firm while the firm was unregistered, causing the applicability of section 412(4)(i) of the Securities Act, MCL 451.2412(4)(i), which gives the Administrator cause to issue this order under section 412(3) of the Securities Act, MCL 451.2412(3).

   C. Respondent Royal Securities Company engaged in dishonest or unethical practices in the securities industry by failing to adequately implement reasonable procedures to ensure continued registration as a broker-dealer under the Securities Act, causing the applicability of section 412(4)(m) of the Securities Act, MCL 451.2412(4)(m), which gives the Administrator cause to issue this order under section 412(3) of the Securities Act, 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 censure and fine Respondent Royal Securities Company under section 412(3) of the Securities Act, MCL 451.2412(3), because Respondent willfully violated or failed to comply with the Securities Act, because Respondent has failed to supervise its agents, and because Respondent engaged in dishonest or unethical behavior in the securities industry, all of which support the imposition of a censure and a fine 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 $59,416.00 against Respondent under section 412(3) of the Securities Act, MCL 451.2412(3).

3. In accordance with sections 412(3) and 412(6) of the Securities Act, MCL 451.2412(3) and MCL 451.2412(6): This is NOTICE that the Administrator intends to commence administrative proceedings to censure, impose a bar, or impose a civil fine, and that Respondent has thirty (30) calendar days after the date that this Order is served on Respondent 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 Respondent or is not ordered by the Administrator within 30 days after the date of service of this Order, then the Order becomes FINAL. 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. Submit written requests for hearing pursuant to this paragraph to the following address:

Corporations, Securities & Commercial Licensing Bureau
Regulatory Compliance Division
PO Box 30018
Lansing, MI 48909

III. ORDER FINAL ABSENT HEARING REQUEST

1. Under section 412(6) of the Securities Act, MCL 451.2412(6), 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 OF INTENT TO CENSURE AND FINE BROKER-DEALER shall result in this order becoming a FINAL ORDER by operation of law. The FINAL ORDER includes the imposition of the fines described in section II.2, 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:

$59,416.00 – ROYAL SECURITIES COMPANY, under section 412(3) of the Securities Act, MCL 451.2412(3).

2. 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

3. 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.

4. 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.

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
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

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