

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

In the matter of:

Complaint No. 337882

DOUGLAS ZACK  
CRD# 2326769

Respondent.

---

Issued and entered  
this 17th day of April, 2019

**STIPULATION AND ORDER**  
**APPROVING CONDITIONAL REGISTRATION**

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

1. On January 23, 2019, the State of Michigan, Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau (the "Bureau") and the Director of the Bureau, who serves as Administrator of the Act (the "Administrator"), issued a Notice of Intent to Revoke, Suspend, Condition, or Limit Securities Agent and Investment Representative Registration (the "NOI") to Douglas Zack ("Respondent") pursuant to MCL 451.2412(2) and MCL 451.2412(7).
2. Respondent (CRD# 2326769) is an individual who resides in the State of Michigan and is presently registered in Michigan as a securities agent through Concorde Investment Services, LLC ("Concorde Investment," CRD# 151604), a Michigan-registered broker-dealer, and as an investment advisor representative of Concorde Asset Management, LLC ("Concorde Asset Management," CRD# 140367), a federal covered investment adviser properly notice-filed in Michigan.
3. Respondent will be working at the following address:

Address: 1450 W. Long Lake Road  
Suite 150  
Troy, MI 48098

Telephone: (248) 502-0814  
E-mail: dzack@dbfrench.com

4. Respondent will be supervised by the following Supervisor or Compliance Officer at Concorde Investment/Concorde Asset Management who works at the address indicated:

Name: Brian Ragen, CRD No. 1822796  
Title: Sales Supervisor

Address: 19500 Victor Parkway, Suite 550  
Livonia, Michigan 48152

Telephone: (248) 824-6710  
E-mail: bragen@concordeis.com

5. Respondent neither admits nor denies the allegations in the NOI, and consents to entry of this Consent Order only for the purpose of resolving the NOI in an expeditious fashion that avoids the time and expense associated with an administrative proceeding and any appeals therefrom.
6. The Administrator and Respondent (collectively, "the Parties") have determined that: (a) protection of the investing public does not require additional disciplinary action if Respondent and Concorde Investment/Concorde Asset Management agree to registration subject to the terms and conditions specified in this Stipulation and Order; and (b) the conditional registration of Respondent pursuant to this Stipulation and Order is authorized by law and otherwise reasonable, appropriate, and in the public interest.

## B. STIPULATION

The Parties agree to this Stipulation enabling the Administrator to conditionally register Respondent as a securities agent and investment adviser representative subject to his compliance with the following conditions:

1. The Parties agree that, effective upon entry of the attached Order, the NOI and Respondent's request for a compliance conference are both resolved without further action by the Parties.

2. Following entry of the attached Order, the Bureau will file a Form U6 reflecting the Parties' resolution of the NOI under this Stipulation and Order. In addition, the Bureau will update the Central Registration Depository (the "CRD") to reflect Respondent's registrations as a securities agent and an investment adviser representative as "APPROVED-RES [RESTRICTED]." This Stipulation and Order 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, MCL 15.241. The Bureau currently publishes copies of orders issued under the Act to the Bureau's website.

### **Compliance Review and Reporting**

3. As described further in paragraphs B.15 and B.16, Respondent agrees to prepare and submit quarterly compliance reports to his supervisor at Concorde Investment/Concorde Asset Management in the form attached as Exhibit A, which Concorde Investment/Concorde Asset Management will then review, certify, and maintain together with all additional information required by this Stipulation and Order. "Quarter" or "quarterly," for purposes of this paragraph and as used throughout this Stipulation and Order, means the periods from January 1 to March 31; April 1 to June 30; July 1 to September 30; and October 1 to December 31.
4. Respondent's securities agent and investment adviser registrations will remain conditional and subject to this Stipulation and Order, and Concorde Investment/Concorde Asset Management agrees to supervise Respondent under this Stipulation and Order, for a minimum period of one (1) year following the date that Concorde Investment/Concorde Asset Management provides evidence to the Bureau that Respondent's Total Assets exceed Total Liabilities or Current Assets exceed Current Liabilities as reflected in the Personal Balance Sheet and supporting documentation reviewed by Concorde Investment/Concorde Asset Management ("Evidence of Solvency"), unless extended as described in this Stipulation and Order (the "Conditional Registration Term"). One year after Concorde Investment/Concorde Asset Management provides the Evidence of Solvency to the Bureau, Concorde Investment/Concorde Asset Management may submit a written request to the Bureau, at the address indicated in Paragraph B.6, that the conditions be lifted from Respondent's registration and providing a reasonable basis for the request. Concorde Investment/Concorde Asset Management's written request to lift Respondent's conditional registration must include: (a) originals of all quarterly compliance reports required under paragraphs B.3, B.15, and B.16; (b) a current personal balance sheet for Respondent and (c) any additional information specifically required by this Stipulation and

Order. Respondent's registration will remain conditional, and the Conditional Registration Term continues, until the Administrator issues an order removing the conditions imposed by this Stipulation and Order after consideration of Concorde Investment/Concorde Asset Management's written request contemplated by this paragraph.

5. Any changes to Paragraphs A.3 or A.4 of this Stipulation and Order must be reported in writing to the Bureau within fifteen (15) days to the following address:

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

6. Respondent must separately report to the Bureau any: (a) customer complaints (written or verbal); (b) disciplinary actions; and (c) other changes to Respondent's answers to the Disclosure Questions on the Form U4 (a "Reportable Event") that arise during the Conditional Registration Term, regardless of whether Respondent is required to report this information on the Form U4, within twenty-one (21) days after receipt of the information. Reporting this information on the CRD/IARD system alone will not satisfy this requirement. Respondent must also supply the Bureau a copy of his revised Form(s) U4 upon its filing through the CRD/IARD. These items must be reported to the Bureau in writing directly at the address indicated in Paragraph B.5 and must include the following information regarding each customer complaint or Reportable Event:
  - a. A summary of the Reportable Event including supporting documentation.
  - b. If related to a customer complaint, include:
    - i. Client name, address, telephone number and e-mail address, if any.
    - ii. A copy of any written complaint.
    - iii. A written summary of any verbal complaint or other Reportable Event.

- iv. Current status of the complaint or other Reportable Event, including the resolution, if any.
7. Respondent and Concorde Investment/Concorde Asset Management acknowledge that a new complaint or other reportable item may extend the supervisory period.
8. All new accounts for Respondent's Michigan customers will be reviewed and approved by Concorde Investment/Concorde Asset Management before the execution of the initial transaction(s) in any new accounts.
9. All transactions for customer accounts will be reviewed and approved by Concorde Investment/Concorde Asset Management within 24 hours of execution.
10. All correspondence, including, without limitation, electronic communications, U.S. mail, facsimiles, etc., both incoming and outgoing, shall be reviewed by Respondent's supervisor or Concorde Investment/Concorde Asset Management's compliance department on no less than a monthly basis. Concorde Investment/Concorde Asset Management will maintain written evidence of review (e.g., Supervisor or Compliance Officer's initials written on all correspondence). This review may be performed through an automated message review program.
11. All advertising, sales literature, and other solicitation material given or sent by Respondent to any customer or potential customer shall be approved by Respondent's supervisor or Concorde Investment/Concorde Asset Management's compliance department before use.
12. Concorde Investment/Concorde Asset Management will hold a quarterly review meeting with Respondent regarding his activities and the status of any current disciplinary actions.
13. Every six months, Concorde Investment/Concorde Asset Management will review Respondent's financial situation, including reviewing Respondent's current credit report and personal balance sheet.
14. In conjunction with reviewing and certifying Respondent's quarterly compliance reports during the Conditional Registration Term, Concorde Investment/Concorde Asset Management will also conduct a monthly review with Respondent regarding Respondent's activities and the status of any current disciplinary actions. Concorde Investment/Concorde Asset

Management's monthly review with Respondent will further assess Respondent's Michigan customer accounts for compliance with this Stipulation and Order and the Act. The monthly review requirement under this paragraph begins immediately on the date that the attached Order is entered, and the reviews must be completed within fourteen (14) calendar days after the final day of each month.

15. Within fourteen (14) calendar days after the final day of each quarter, Respondent agrees to prepare and submit to his supervisor at Concorde Investment/Concorde Asset Management a quarterly compliance report in the form attached as Exhibit A. Within fourteen (14) calendar days after receiving Applicant's quarterly compliance report, Concorde Investment/Concorde Asset Management agrees to certify in writing, after diligent review, including following all of the steps outlined in this Order, that it is not aware of any violations of the Order or the Act. The report and certification must be maintained by Concorde Investment/Concorde Asset Management. The reporting period for the first quarterly compliance report begins immediately on the date that the attached Order is entered and ends on the final day of that quarter. The reporting period for subsequent quarterly compliance reports begins on the first day and ends on the final day of the next applicable quarter.
16. Concorde Investment/Concorde Asset Management is not required to submit Respondent's quarterly compliance reports to the Bureau on a periodic basis. However, Concorde Investment/Concorde Asset Management must maintain all quarterly compliance reports and certifications and provide them to the Bureau: (a) to support a request to lift Respondent's conditional registration as provided in Paragraph B.4 of this Stipulation and Order and (b) upon request by the Department within ten (10) calendar days of the request.
17. If any monthly review or quarterly compliance report reveals that Respondent is not in compliance with this Stipulation and Order or the Act, then Concorde Investment/Concorde Asset Management must immediately report the non-compliance to the Bureau in writing at the address indicated in Paragraph B.5.
18. Concorde Investment/Concorde Asset Management will not transfer the registration of Respondent to another broker-dealer or investment adviser, pursuant to a mass transfer, without prior approval of the Bureau while this Stipulation and Order is in effect.

## Additional Provisions

19. Respondent and Concorde Investment/Concorde Asset Management will fully cooperate with the Bureau in any investigation, audit, or examination relating to Registrant's activities.
20. The Parties agree that this Consent Order 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, MCL 15.241. The Bureau currently publishes copies of orders issued under the Securities Act to the Bureau's website and includes a summary of order content in monthly disciplinary action reports separately published on its website.
21. Respondent and Concorde Investment/Concorde Asset Management acknowledge and agree that upon their failure to comply with any requirements imposed by this Stipulation and Order, the Administrator is entitled to and may immediately: (a) suspend all registrations held by Respondent under the Act; (b) deny any renewal registrations submitted by him; and (c) deny any future applications for registration submitted by him. A summary suspension under this paragraph is effective upon written notice to Respondent given by the Administrator or her designee with no opportunity for hearing. Respondent and Concorde Investment/Concorde Asset Management further acknowledge and agree that the Administrator may pursue any other available contractual, administrative, or judicial remedies to enforce this Stipulation and Order. Respondent may voluntarily surrender or withdraw a registration under the Act; however, such surrender or withdrawal will not negate the previously mentioned actions against the relevant registration or additional disciplinary proceedings if a violation of this Stipulation and Order or the Act occurred.
22. Respondent further acknowledges and agrees that: (a) the Administrator has jurisdiction and authority to enter the attached Order; (b) the attached Order may be entered without any further notice to Respondent; and (c) upon entry of the attached Order, it is final and binding, and Respondent waives any right to a hearing that exists under the Act, the rules promulgated under the Act or the predecessor Act, the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 *et seq.*, or other applicable law.
23. The Parties acknowledge and agree that this Stipulation and Order contains the entire understanding of the Parties and supersedes and forever terminates all prior and contemporaneous representations, promises, agreements, understandings, and negotiations, whether oral or written, with

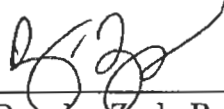
respect to its subject matter. The Parties further agree that this Stipulation and Order may only be amended, modified, or supplemented by a duly executed writing signed by each party and approved by Order of the Administrator.

24. The Parties acknowledge and represent that: (a) each party has read this Stipulation and Order in its entirety and fully understands all of its terms, conditions, ramifications, and consequences; (b) each party unconditionally consents to the terms of this Stipulation and Order; (c) each party has consulted with or had ample opportunity to consult with legal counsel of his, her, or its choosing prior to executing this Stipulation; (d) each party has freely and voluntarily signed this Stipulation; and (e) the consideration received by each party as described in this Stipulation and Order is adequate.
25. The Parties agree that they may execute this Stipulation in any number of counterparts, each of which shall be deemed an original hereof, but which together shall constitute one and the same instrument and agreement, and that facsimile or electronically-transmitted signatures may be attached to this Stipulation and shall be binding on such party as an original signature.
26. The Parties agree that facsimile or electronically-transmitted signatures may be submitted in connection with this Consent Order and are binding on that party to the same extent as an original signature.
27. The signatories to this Stipulation below represent and warrant that they have the legal capacity and authority to enter into this Stipulation on behalf of the named Parties and to bind the named Parties to the terms and conditions contained herein.

Through their signatures, the Bureau, Respondent, and Concorde Investment/Concorde Asset Management agree to comply to the above terms and conditions.

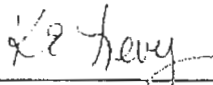
Dated: 3/11/19

Signed:

  
\_\_\_\_\_  
Douglas Zack, Respondent

Dated: 3/8/19

Signed:

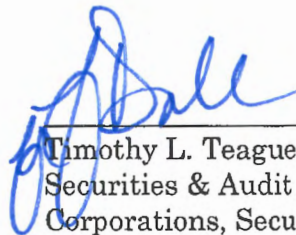
  
\_\_\_\_\_  
Kimberlee Levy, Chief Compliance Officer  
Concorde Investment/Concorde Asset  
Management



Approved by:

Dated: 3/21/19

Signed:

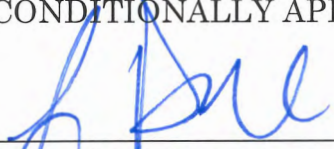


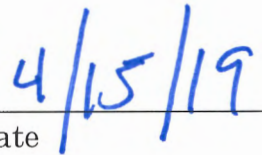
\_\_\_\_\_  
Timothy L. Teague  
Securities & Audit Division Director  
Corporations, Securities & Commercial  
Licensing Bureau

C. ORDER

NOW, THEREFORE, the Administrator ORDERS:

IN ACCORDANCE WITH THE FOREGOING FULLY EXECUTED  
STIPULATION, REGISTRANT DOUGLAS ZACK'S SECURITIES AGENT AND  
INVESTMENT ADVISER REPRESENTATIVE REGISTRATIONS ARE  
CONDITIONALLY APPROVED.

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

  
\_\_\_\_\_  
Date

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

In the matter of:

Agency No. 337882

DOUGLAS ZACK  
CRD# 2326769

Respondent.  
\_\_\_\_\_ /

This 23rd Issued and entered  
day of January, 2019

**NOTICE OF INTENT TO REVOKE, SUSPEND, CONDITION, OR LIMIT  
SECURITIES AGENT AND INVESTMENT ADVISER REPRESENTATIVE  
REGISTRATIONS**

**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 Zack (CRD#2326769) is an individual who resides in the State of Michigan. Respondent is presently registered in Michigan as a securities agent through Concorde Investment Services, LLC (CRD#151604), a Michigan-registered broker-dealer, and as an investment adviser representative of Concorde Asset Management, LLC (CRD#140367), a federal covered investment adviser properly noticed-filed in Michigan.
2. The Corporations, Securities & Commercial Licensing Bureau ("the Bureau") within the Department of Licensing and Regulatory Affairs began an investigation of Respondent's activities in the securities industry after a routine review of disclosures on the Central Registration Depository ("CRD") revealed that Respondent was the subject of a lien.
3. The Bureau requested, and Respondent provided a personal balance sheet in the course of the investigation. The balance sheet submitted by Respondent showed that his liabilities exceed his assets. The Administrator finds that Respondent is insolvent because his liabilities exceed his assets.
4. The Director of the Bureau ("Administrator") has reviewed materials regarding Respondent's financial condition as it relates to his registration as a securities agent under the Securities Act. The Administrator has determined that it is authorized, appropriate, and in the public interest to revoke, suspend, condition, or limit Respondent's securities agent and investment adviser representative registrations.

5. Section 412(2) of the Securities Act, MCL 451.2412(2), states in relevant part:

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, suspend, condition, or limit the registration of a registrant and if the registrant is a broker-dealer or investment adviser, of a partner, officer, 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...

6. 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:

\*\*\*

(g) The person is insolvent, either because the person's liabilities exceed the person's assets or because the person cannot meet the person's obligations as they mature. The administrator shall not enter an order against an applicant or registrant under this subdivision without a finding of insolvency as to the applicant or registrant...

7. 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.

8. The Administrator may revoke, suspend, condition, or limit Respondent's securities agent and investment adviser representative registrations pursuant to section 412(2) of the Securities Act, MCL 451.2412(2), because it is in the public interest, and because:

A. Respondent is insolvent because his liabilities exceed his assets, giving the Administrator cause to issue an order under sections 412(2) and 412(4)(g) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(4)(g).

## 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:

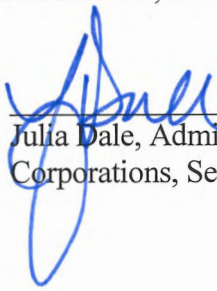
1. The Administrator intends TO REVOKE, SUSPEND, CONDITION, OR LIMIT THE SECURITIES AGENT AND INVESTMENT ADVISER REPRESENTATIVE REGISTRATIONS OF DOUGLAS ZACK under section 412(2) of the Securities Act, MCL 451.2412(2), because his liabilities exceed his assets, causing him to be insolvent, which supports the revocation, suspension, conditioning, or limitation of his securities agent and investment adviser representative registrations under the above-cited provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 *et seq.*

2. 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, suspend, condition, or limit Respondent's securities agent and investment adviser representative registrations, 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  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

By:

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

1/23/19  
Date