

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

In the matter of:

Complaint No. 341792

NICHOLAS ROBERTS  
CRD# 2337786

Applicant.

\_\_\_\_\_ /

Issued and entered  
this 17th day of April, 2020

**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 November 19, 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 Deny, Condition, or Limit Securities Agent and Investment Adviser Representative Registration Applications (the “NOI”) to Nicholas Roberts (“Applicant”) pursuant to MCL 451.2412(1) and MCL 451.4212(6).
2. Applicant (CRD# 2337786) is an individual who resides in the State of Michigan and was registered in Michigan as a securities agent until around January 2017. Applicant applied for registration as a securities agent and an investment adviser representative through Merrill Lynch, Pierce, Fenner & Smith, Inc. (CRD#7691, “ML”), a Michigan-registered broker-dealer and federal covered investment adviser properly notice-filed in Michigan. The agent application was filed on or around July 23, 2019 and the investment adviser representative application was filed on or around August 8, 2019; both applications became complete on or around October 21, 2019.
3. Applicant’s registration applications with ML were terminated on or around March 2, 2020 when Applicant voluntarily resigned.

4. Applicant re-applied for registration as an agent through Alps Distributors, Inc. (CRD#16853, "Alps") on or around March 6, 2020. The application became complete on or around March 6, 2020. Applicant's balance sheet shows that his liabilities exceed his assets, causing him to be insolvent.

5. Applicant will be working at the following address:

Address: 600 Covington Rd  
Bloomfield Hills, MI 48301

Telephone: (310) 463-5439  
E-mail: nick.roberts@alpsinc.com

6. Applicant will be supervised by the following Supervisor or Compliance Officer at Alps who works at the address indicated:

Name: Gary Ross, CRD No. 1388525  
Title: Senior Vice President, Head of Sales

Address: 61 Joy Place  
Cohasset, MA 02025

Telephone: (303) 623-2577  
E-mail: gary.ross@alpsinc.com

7. The Administrator and Applicant (collectively, "the Parties") acknowledge and agree that Applicant's insolvency, as set forth in the NOI, provides grounds for the Administrator to deny, condition, or limit Applicant's securities agent registration application, as provided in the NOI.

8. The Parties have determined, notwithstanding the basis for disciplinary action, that: (a) protection of the investing public does not require additional disciplinary action if Applicant and Alps agree to registration subject to the terms and conditions specified in this Stipulation and Order; and (b) the conditional registration of Applicant 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 Applicant as a securities agent subject to his compliance with the following conditions:

1. The Parties agree that, effective upon entry of the attached Order, the NOI and Applicant's request for a hearing 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 Applicant's registration as a securities agent 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.14 and B.15, Applicant agrees to prepare and submit quarterly compliance reports, in the forms attached as Exhibits A and B, to his supervisor at Alps which Alps 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. Applicant's securities agent registration will remain conditional and subject to this Stipulation and Order, and Alps agrees to supervise Applicant under this Stipulation and Order, for a minimum period of one (1) year following the date that Alps provides evidence to the Bureau that Applicant's Total Assets exceed Total Liabilities or Current Assets exceed Current Liabilities as reflected in the Personal Balance Sheet and supporting documentation reviewed by Alps ("Evidence of Solvency"), unless extended as described in this Stipulation and Order (the "Conditional Registration Term"). One year after Alps provides the Evidence of Solvency to the Bureau, Alps may submit a written request to the Bureau, at the address indicated in Paragraph B.5, that the conditions be lifted from Applicant's registration and providing a reasonable basis for the request. Alps's written request to lift Applicant's conditional registration must include: (a) originals of all quarterly compliance

reports required under paragraphs B.3, B.14, and B.15; and (b) any additional information specifically required by this Stipulation and Order. Applicant's registrations 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 Alps'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. Applicant must separately report to the Bureau any: (a) customer complaints (written or verbal); (b) disciplinary actions; and (c) other changes to Applicant's answers to the Disclosure Questions on the Form U4 (a "Reportable Event") that arise during the Conditional Registration Term, regardless of whether Applicant 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. 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. Client name, address, telephone number and e-mail address, if any.
  - b. A copy of any written complaint.
  - c. A written summary of any verbal complaint or other Reportable Event.
  - d. Current status of the complaint or other Reportable Event, including the resolution, if any.
7. Applicant and Alps acknowledge that a new complaint or other reportable item may extend the supervisory period.

8. All new accounts for Applicant's Michigan customers will be reviewed and approved by Alps before the execution of the initial transaction(s) in any new accounts.
9. All transactions for customer accounts will be reviewed and approved by Alps 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 Applicant's supervisor or Alps's compliance department on no less than a monthly basis. Alps 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 Applicant to any customer or potential customer shall be approved by Applicant's supervisor or Alps's compliance department before use.
12. Alps will hold a quarterly review meeting with Applicant regarding his activities and the status of any current disciplinary actions.
13. Every six months, Alps will review Applicant's financial situation, including reviewing Applicant's current credit report and personal balance sheet.
14. In conjunction with reviewing and certifying Applicant's quarterly compliance reports during the Conditional Registration Term, Alps will also conduct a monthly review with Applicant regarding Applicant's activities and the status of any current disciplinary actions. Alps's monthly review with Applicant will further assess Applicant'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, Applicant agrees to prepare and submit to his supervisor at Alps a quarterly compliance report in the form attached as Exhibit A. Within fourteen (14) calendar days after receiving Applicant's quarterly compliance report, Alps agrees to review the report certifying in writing whether Applicant complied with this Stipulation and Order and the Act during the applicable quarterly reporting period. The report and certification must be maintained by Alps.

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. Alps is not required to submit Applicant's quarterly compliance reports to the Bureau on a periodic basis. However, Alps must maintain all quarterly compliance reports and certifications and provide them to the Bureau: (a) to support a request to lift Applicant's conditional registration as provided in Paragraph B.4 of this Stipulation and Order; (b) upon request by the Department within ten (10) calendar days, in connection with any submission of information as required under Paragraph B.6 or B.7 of this Stipulation and Order; and (c) upon request by the Bureau within ten (10) calendar days for any other reason.
17. If any monthly review or quarterly compliance report reveals that Applicant is not in compliance with this Stipulation and Order or the Act, then Alps must immediately report the non-compliance to the Bureau in writing at the address indicated in Paragraph B.5.
18. Alps will not transfer the registration of Applicant to another broker-dealer, pursuant to a mass transfer, without prior approval of the Bureau while this Stipulation and Order is in effect.


#### **Additional Provisions**

19. Applicant and Alps will fully cooperate with the Bureau in any investigation, audit, or examination relating to Registrant's activities.
20. Applicant and Alps 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 Applicant 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 Applicant given by the Administrator or her designee in accordance with MCL 451.2412(6) and (7). Applicant and Alps further acknowledge and agree that the Administrator may pursue any other available contractual, administrative, or judicial remedies to enforce this Stipulation and Order. Applicant 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.

21. Applicant 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 Applicant; and (c) upon entry of the attached Order, it is final and binding, and Applicant 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.
22. 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.
23. 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.
24. 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.
25. 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, Applicant, and Alps agree to comply to the above terms and conditions.

Dated: 4/14/2020 Signed:   
Nicholas Roberts, Applicant

Dated: 04/09/2020 Signed: Stephen Kylo  
Stephen Kylo, Chief Compliance Officer  
Alps Distributors, Inc.

Approved by:

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



Through their signatures, the Bureau, Applicant, and Alps agree to comply to the above terms and conditions.

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
Nicholas Roberts, Applicant

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
Stephen Kylo, Chief Compliance Officer  
Alps Distributors, Inc.

Approved by:

Dated: 04/15/2020 Signed: Timothy L. Teague  
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, APPLICANT NICHOLAS ROBERTS' SECURITIES AGENT  
REGISTRATION IS CONDITIONALLY APPROVED



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Linda Clegg  
Administrator and Director  
Corporations, Securities & Commercial Licensing Bureau

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

In the matter of:

Agency No. 341792

NICHOLAS ROBERTS  
CRD# 2337786

Applicant.  
\_\_\_\_\_ /

Issued and entered  
This 19th day of November, 2019

**NOTICE OF INTENT TO DENY, CONDITION, OR LIMIT  
SECURITIES AGENT AND INVESTMENT ADVISER  
REPRESENTATIVE REGISTRATION APPLICATIONS**

**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. Nicholas Roberts ("Applicant") has previously been registered as a securities agent under the Securities Act in Michigan, and has been registered as an agent of various broker-dealers in other states since in or around 1993. Applicant's last agent registration became inactive in or around January 2017.
2. Applicant applied for registration as a securities agent and an investment adviser representative in Michigan through Merrill Lynch, Pierce, Fenner & Smith, Inc. (CRD#7691, "ML"), a Michigan-registered broker-dealer and federal covered investment adviser properly notice-filed in Michigan. The agent application was filed on or around July 23, 2019 and the investment adviser representative application was filed on or around August 8, 2019; both applications became complete on or around October 21, 2019.
3. The Corporations, Securities and Commercial Licensing Bureau ("the Bureau") within the State of Michigan Department of Licensing and Regulatory Affairs requested, and Applicant provided a personal balance sheet during the Bureau's review of Applicant's registration applications. The balance sheet submitted by Applicant shows that his liabilities exceed his assets. The Administrator finds that Applicant is insolvent because his liabilities exceed his assets.
4. The Director of the Bureau ("Administrator") has reviewed materials regarding Applicant's financial condition as it relates to his registration as an agent and an

investment adviser representative under the Securities Act. The Administrator has determined that it is authorized, appropriate, and in the public interest to deny, condition, or limit Applicant's securities agent and investment adviser representative registrations.

5. Section 412(1) of the Securities 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, conditioning, or limiting an application for registration.

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:

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(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(6) of the Securities Act, MCL 451.2412(6), authorizes the Administrator to deny a registration application pending final determination of an administrative proceeding.

8. The Administrator may deny, condition, or limit Applicant's securities agent and investment adviser representative registration applications under sections 412(1) and 412(4)(g) of the Securities Act, MCL 451.2412(1) and MCL 451.2412(4)(g), because Applicant is insolvent in that his liabilities exceed his assets, giving the Administrator cause to issue this order.

## 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, condition, or limit the securities agent and investment adviser representative registration applications of Nicholas Roberts under section 412(1) of the Securities Act, MCL 451.2412(1), because Applicant is insolvent, which supports the denial, conditioning, or limitation of his registration applications under the above-cited provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 *et seq.*

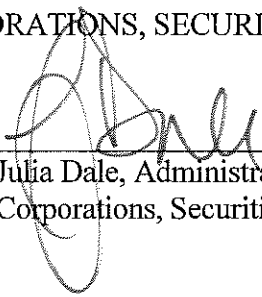
2. In accordance with sections 412(1) and (6) of the Securities Act, MCL 451.2412(1) and (6): This is NOTICE that the Administrator intends to deny, condition, or limit Applicant's securities agent and investment adviser representative registration applications, and that Applicant has thirty (30) calendar 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 unless waived by Applicant. 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 for securities agent 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.

3. Applicant is responsible for notifying his relevant supervisor and/or the Chief Compliance Officer of his employing firm of the issuance of this Order according to firm policies or procedures. A copy of this Order will not be mailed to Applicant's supervisor or the firm's Chief Compliance Officer. Agency representatives will only discuss this Order with a representative of Applicant's employing firm when Applicant or an attorney on Applicant's behalf is also present, because the firm is not a party to this administrative proceeding.

**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  
CORPORATIONS, SECURITIES, AND COMMERCIAL LICENSING BUREAU

By:

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

11/19/19  
Date