

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

In the matter of:

Agency No. ENF-22-020066

GLP INVESTMENT SERVICES, LLC
CRD#25450

Respondent.

_____ /

This 1st day of June Issued and entered _____, 2022

NOTICE AND ORDER TO CEASE AND DESIST

Linda Clegg, the Director (“Administrator”) of the Corporations, Securities, and Commercial Licensing Bureau (“Bureau”), 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 GLP Investment Services, LLC (“Respondent”) to cease and desist from employing or associating with an unregistered agent, contrary to the Securities Act. Respondent is notified of the opportunity to request a hearing in this matter.

I. BACKGROUND

A. The Respondent

1. GLP Investment Services, LLC is a Michigan limited liability company which is registered as a broker-dealer under the Securities Act in Michigan.

B. Findings of Fact

1. Bureau staff began an investigation of Respondent’s activities under the Securities Act in Michigan after Respondent contacted the Bureau to report that an agent associated with the firm was not properly registered for a period beginning in October 2009.
2. Bureau staff reviewed the Central Registration Depository (“CRD”) record of the individual agent and requested a written explanation of the registration error from Respondent. The following timeline was developed:

- July 28, 2008 – Respondent submitted a U4 Application to CRD for the agent which was deficient because the agent had not yet passed required industry exams;
 - April 20, 2009 – CRD purged the July 28, 2008 U4 Application because it had been deficient for over nine months;
 - October 9, 2009 – The agent took and passed the necessary industry exams, but the passing scores were not recognized because there was no longer a pending application since it had been purged in April of 2009;
 - January of 2022 – Respondent completed an audit of its staff’s registration statuses and determined that the individual was not and had not been registered;
 - February 14, 2022 – Respondent contacted the Bureau by phone; and
 - March 21, 2022 – Respondent submitted its written explanation of events to Bureau staff.
3. The agent, despite not being registered, conducted securities business and was paid commissions for effecting transactions in securities on behalf of Respondent. Respondents failed to discover the agent’s registration status at any time between October 2009 and January 2022.

II. RELEVANT STATUTORY PROVISIONS

1. Section 102(b) of the Securities Act, MCL 451.2102(b) defines “agent”, in part, as:
- (b) "Agent" means an individual other than a broker-dealer who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. The term does not include a partner, officer, or director of a broker-dealer or issuer, or an individual having a similar status or performing similar functions, unless the individual otherwise comes within the term...
2. Section 402(1) of the Securities Act, MCL 451.2402(1), states:
- A person shall not transact business in this state as an agent unless the individual is registered under this act as an agent or is exempt from registration as an agent under subsection (2).

3. Section 402(4) of the Securities Act, MCL 451.2402(4), states:

A broker-dealer, or an issuer engaged in offering, selling, or purchasing securities in this state, shall not employ or associate with an agent who transacts business in this state on behalf of broker-dealers or issuers unless the agent is registered under subsection (1) or exempt from registration under subsection (2).

4. 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.

III. CONCLUSIONS OF LAW

1. Respondent GLP Investment Services, LLC employed or associated with an agent who transacted business in this state but was not registered or exempt from registration, in violation of MCL 451.2402(4).

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 employing or associating with an unregistered agent, 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 a Final Order, the Administrator intends to impose civil fines of \$10,000.00 against Respondent under MCL 451.2604(4). This Notice and Order to Cease and Desist may become final pursuant to Section VI, below.
- 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

By email: CSCL-FOIA@Michigan.gov

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:

\$10,000.00 – GLP Investment Services, LLC, 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:

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 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.

- 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.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES, AND COMMERCIAL LICENSING BUREAU

/s/ Linda Clegg

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

6/1/2022
Date