

STATE OF NEVADA
OFFICE OF THE SECRETARY OF STATE
SECURITIES DIVISION
2250 LAS VEGAS BOULEVARD NORTH, SUITE 400
NORTH LAS VEGAS, NEVADA 89030

In the Matter of:

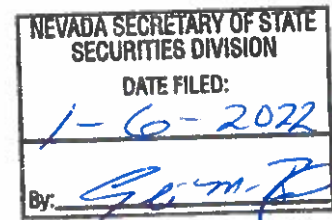
KALOS CAPITAL, INC., CRD No. 44337;

Respondent.

ADMINISTRATIVE CONSENT ORDER

File No. CIC17-027

TO: Kalos Capital, Inc.
c/o John Dillon, CCO
11525 Park Woods Circle, Suite 280
Alpharetta, GA 30005



WHEREAS, KALOS CAPITAL, INC, CRD No. 44337 (KCI) is a broker-dealer firm with its main office located in the State of Georgia. KCI previously maintained a Nevada-based branch office located at 1368 Paseo Verde Parkway, Suite 100, Henderson, Nevada 89012;

WHEREAS, the Nevada Securities Division (Division), pursuant to the Administrator's authority under NRS § 90.620, conducted an inspection of the above-referenced KCI branch office to determine the Respondent's compliance with the Nevada Uniform Securities Act (the Act), the Securities Act of 1933, the Investment Advisers Act of 1940, and the various rules and regulations promulgated thereunder;

WHEREAS, the Division alleges that certain former KCI salespersons made unsuitable recommendations in alternative products, a violation of NRS 90.570 and NAC 90.328, and FINRA Rule 2111;

WHEREAS, the Division further alleges that KCI failed to reasonably supervise the activities of those certain former salespersons, specifically in reference to a number of high-risk, illiquid, and

1 high-commission alternative investments that were made on behalf of clients, a violation of NRS
2 90.420(1)(l);

3 **WHEREAS**, the Division further alleges KCI failed to maintain certain books and records
4 regarding the rejected applications associated with the sale of products, a violation of NRS 90.390(5)
5 and NAC 90.321, citing to FINRA Rule 17a-3(a)(6,7);

6 **WHEREAS**, Respondent has advised the Division of its desire to resolve the above alleged
7 failure to comply with the requirements of Nevada's Uniform Securities Act, on the terms specified
8 within this Administrative Consent Order;

9 **WHEREAS**, Respondent no longer maintains a branch office in Nevada;

10 **WHEREAS**, Respondent elects to permanently and expressly waive any right to a hearing
11 and appeal under the Act and/or to seek judicial review under the Nevada Administrative Procedure
12 Act, NRS Chapter 233B, with respect to this Order.

13 **NOW THEREFORE**, the Administrator, pursuant to the Act, hereby enters the following:

14 **ORDER**

15 Finding the following appropriate and in the public's interest, and on the basis of the
16 foregoing, and without either admitting or denying the allegations, Respondent consents to the entry
17 of this Order,

18 **IT IS HEREBY ORDERED:**

- 19 1. Respondent will cease from violating the Act and will comply with said Act.
- 20 2. Upon notice of entry of this Order, Respondent will pay the Nevada Secretary of State a
21 civil penalty in the cumulative amount of \$75,000.00 due upon the Respondent's submission
22 of its Consent to Entry of this Administrative Order.
- 23 3. Upon notice of entry of this Order, Respondent shall submit a check made payable to the
24 Secretary of State in the amount of \$4,400.00 in costs relative to the inspection and
25 subsequent investigation of its branch office.
- 26 4. Amounts submitted under this Order shall be remitted to:

1 Nevada Secretary of State
2 c/o Stacey Roter
3 2250 Las Vegas Boulevard North, Suite 400
4 North Las Vegas, NV 89030

- 5 5. In consideration, the Division will take no further enforcement action against Respondent
6 based upon the circumstances covered by this investigation and Order and close its
7 administrative investigation of the Respondent in connection with the aforementioned
8 activities. Any allegations which apply to Kalos within the Division's Complaint dated
9 December 15, 2020, are dismissed with prejudice and Kalos is hereby removed from any
10 caption in that matter.
11 6. Nothing in this Order shall be construed as a waiver of the Division's right to investigate
12 and pursue any violations by Respondent in connection with other activity not set forth
13 herein.
14 7. Nothing in this Order is intended to limit or create for third parties any private remedies
15 against Respondent.
16 8. This Order shall be effective as of the date on which it is signed by the Administrator as set
17 forth below.

18 IT IS SO ORDERED.

19
20 DATED this 6th day of January, 2022.

21 BY ORDER OF THE ADMINISTRATOR
22 Office of the Secretary of State, Securities Division

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25 ERIN M. HOUSTON
26 Deputy Secretary for Securities
27 Securities Administrator
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Respondent specifically acknowledges that a violation of this Order may constitute a felony pursuant to NRS 90.650.

Respondent states that no promise of any kind or nature, other than the consideration set forth in the Order, were made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

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Alan Wolper, Esq.

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