

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

In the Matter of:

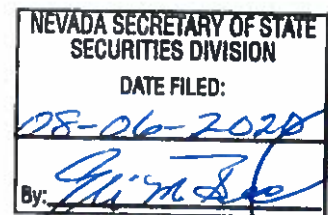
CUNA BROKERAGE SERVICES, INC.,  
CRD No. 13941; and JAMES PETRIZZO,  
CRD No. 2140799, an individual

Respondents.

ADMINISTRATIVE CONSENT ORDER

File No. INV20-022

TO: CUNA BROKERAGE SERVICES, INC.  
JAMES PETRIZZO  
530 Avenue G  
Boulder City, NV 89005



WHEREAS, CUNA BROKERAGE SERVICES, INC. (CUNA), CRD No. 13941, is a Nevada-registered broker-dealer firm with a branch office located at 530 Avenue G, Boulder City, NV 89005 (Branch);

WHEREAS, James Petrizzo (Petrizzo), CRD No. 2140799, is a Nevada-registered broker-dealer salesperson, operating at the Branch;

WHEREAS, the Branch within the offices of Boulder Dam Credit Union (Boulder Dam). Boulder Dam's website and advertising materials do not disclose that Petrizzo is not affiliated with Boulder Dam;

WHEREAS, the Nevada Securities Division (Division) received a Complaint alleging that Petrizzo had completed client forms without obtaining the proper signatures from the Complainant;

WHEREAS, the Division conducted an independent investigation of Petrizzo and the Branch;

**WHEREAS**, that investigation revealed the following:

- a. Complainant entered into a contractual relationship for what he believed to be a certificate of deposit (CD) paying 3.55%;
- b. That CD was actually a Celtic Bank Convertible CD (CCD), which typically pays rates that are 1% greater than that paid by an ordinary CD;
- c. The CCD's call date was not specified when Complainant completed the relevant contract, with Petrizzo's assistance, at the Branch;
- d. After Complainant signed the CCD contract, Petrizzo added a call date in the contract, which was one year from the contract date;
- e. Petrizzo did not inform Complainant that he had added a call date to the terms of the CCD;
- f. Subsequently, when the CCD was called, Complainant was surprised because he believed that he had purchased an ordinary 4-year CD paying interest at the rate of 3.55% per annum;
- g. Complainant then asked Petrizzo to honor the CCD on the terms that Complainant believed were applicable, but Petrizzo replied that he had no control over the calling of the CCD;
- h. Initially, Complainant expressed his concerns to Boulder Dam because Complainant believed that Petrizzo was employed by Boulder Dam;
- i. When Boulder Dam informed Complainant that it was not Petrizzo's employer, Complainant was confused because all of the advertising Complainant observed, as well as Boulder Dam's website, indicated that Petrizzo was employed by Boulder Dam;
- j. Subsequently, Complainant contacted CUNA to express his concerns regarding the CCD in question;

**WHEREAS**, CUNA ultimately reimbursed Complainant for the additional interest he would have received had the CCD not been called, in the amount of \$35,500.00;

**WHEREAS**, the Division alleges that Petrizzo completed an application to purchase securities without Complainant's informed consent, an unethical or dishonest practice in the securities business, in violation of NRS § 90.420(1)(h);

**WHEREAS**, the Division alleges that CUNA failed to supervise its employee, both concerning his advertising materials, and his actions regarding the customer complaint, a violation of 90.420(1)(l);

**WHEREAS**, Respondents have advised the Division of their desire to resolve the aforementioned matters on the terms specified within this Administrative Consent Order (Order);

**WHEREAS**, Respondents elect to permanently and expressly waive any right to a hearing and appeal under the Nevada Uniform Securities Act (Act) and/or to seek judicial review under the Nevada Administrative Procedure Act, NRS Chapter 233B, with respect to this Order.

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

### **ORDER**

Finding the following appropriate and in the public interest, and on the basis of the foregoing, and Respondents' consent to the entry of this Order,

#### **IT IS HEREBY ORDERED:**


1. Respondents will cease from violating the Act and will comply with said Act.
2. Respondents shall jointly and severally pay the Nevada Secretary of State a civil penalty in the cumulative amount of Thirty Five Thousand Dollars and No Cents (\$35,000.00), due upon execution of this Agreement.
3. All penalties and fees submitted under this section shall be remitted to:

Nevada Secretary of State  
c/o Stacey Roter  
2250 Las Vegas Blvd. North, Suite 400  
North Las Vegas, NV 89030

4. Respondent CUNA will perform both a complete remote audit and unannounced onsite audit of Respondent Petrizzo to determine compliance with the Act;
5. Respondent CUNA will submit the results of that remote audit to the Division within one (1) month of executing this Order and results of the onsite audit within one month after Respondent resumes corporate travel which is suspended due to the pandemic;
6. Respondent CUNA will submit a heightened supervision plan for Division approval regarding Petrizzo within one (1) month of its completion of the remote audit. CUNA will be responsible for enforcing the heightened supervision plan and shall submit documentation to the Division upon request;
7. In consideration of the provisions of this Order, the Division will take no further enforcement action against Respondents based upon the facts and circumstances covered by this Order and those discovered in the Division's underlying investigation, and will close its administrative investigation of Respondents in connection with the aforementioned activities;
8. Nothing in this Order shall be construed as a waiver of the Division's right to investigate and pursue any violations by Respondents in connection with other activities not set forth herein and not contemplated by this Order;
9. Nothing in this Order is intended to limit or create for third parties any private remedies against Respondents;
10. This Order shall be effective as of the date on which it is signed by the Administrator, as set forth below.

Dated this 6th day of August 2020.

**BY ORDER OF THE ADMINISTRATOR**  
Nevada Securities Division, Office of the Secretary of State

  
**ERIN M. HOUSTON**  
Deputy Secretary for Securities

## Securities Administrator

**CONSENT TO ENTRY OF ADMINISTRATIVE ORDER**


CUNA Brokerage Services, Inc., by and through its authorized representative, John Landers and James Petrizzo, individually (collectively, Respondents), hereby acknowledge that they have been served with a copy of this Administrative Consent Order (Order), have read the foregoing Order, are aware of their right to a hearing and appeal in this matter, and have waived the same.


Respondents admit the jurisdiction of the Securities Division, of the Office of the Secretary of State, State of Nevada and consent to entry of this Order by the Administrator of the Division as settlement of the issues contained in this Order.

Respondents aver that no promise of any kind or nature, other than the consideration set forth in this Order, was made to Respondents to induce them to enter into this Order, and that they have entered into this Order voluntarily.

Dated this 3<sup>rd</sup> day of August, 2020.

CUNA BROKERAGE SERVICES, INC.

By:   
John Landers  
Authorized Representative

JAMES PETRIZZO  
By:   
James Petrizzo