

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

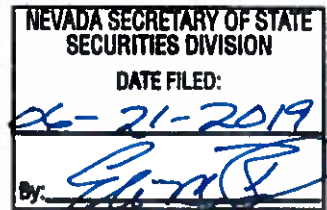
In the Matter of

Peak Brokerage Services, LLC,
CRD No. 157045,

Respondent.

ADMINISTRATIVE CONSENT ORDER

File No. CI17-076



TO: Peak Brokerage Services, LLC
c/o Matt Mayers, Chief Compliance Officer
11770 US Highway One North, Suite 205E
Palm Beach Gardens, FL 33408

WHEREAS, Peak Brokerage Services, LLC, CRD No. 157045 ("Respondent"), is a Florida-based broker-dealer licensed with the State of Nevada since November 17, 2011;

WHEREAS, pursuant to the Nevada Uniform Securities Act ("Act") codified in Chapter 90 of the Nevada Revised Statutes ("NRS"), and the regulations promulgated thereunder set forth in Chapter 90 of the Nevada Administrative Code ("NAC"), Respondent is charged with complying with all applicable requirements while engaged in any securities-related business in or from the State of Nevada;

WHEREAS, on May 18, 2017, Compliance/Audit Investigators with the Nevada Securities Division, Office of the Secretary of State ("Division"), pursuant to the Administrator's authority under NRS 90.410, conducted an inspection of Respondent's Las Vegas branch office to verify compliance with the Act;

WHEREAS, based on the facts and circumstances revealed during the course of this inspection, the Division determined that Respondent violated certain provisions of the Act and the regulations adopted thereunder;

WHEREAS, Respondent has cooperated with the Division's investigation by responding to inquiries and providing documentary evidence;

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WHEREAS, the sole sales representative in Respondent's Las Vegas branch has since terminated her employment with Respondent who, in turn, closed the branch office in question on August 31, 2017;

WHEREAS, Respondent has advised the Division of its agreement to resolve the failures to comply with the requirements in the State of Nevada on the terms specified in this Administrative Consent Order (“Order”); and

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

NOW THEREFORE, the Administrator of the Division, pursuant to the Nevada Uniform Securities Act, hereby enters this Order:

FINDINGS OF FACT

1. Respondent is a Florida-based registered broker-dealer licensed with the State of Nevada since November 17, 2011.

2. On or about May 18, 2017, the Division initiated an inspection of Respondent's branch office, CRD No. 157045 ("Branch Office"), located at 6420 W. Warm Springs Road, Suite 20, Las Vegas, Nevada.

3. Agnas Chan, CRD No. 3004393 ("Sales Representative" or "Chan"), was the sole licensed Sales Representative conducting business from the Branch Office.

4. The branch office in question was located inside of an office that was concurrently occupied by several other businesses for which the Sales Representative was and is the sole owner or partner. There was no physical separation between the Sales Representatives other businesses and the Respondent. Those businesses include:

a. Simple Tax Service, LLC, wherein the Sales Representative acts as a tax advisor. Simple Tax Service, LLC is managed by a separate entity--United Financial Associates, LLC. The Sales Representative is also the sole owner of United Financial Associates, Inc.

1 b. United Financial Associates, Inc. wherein the Sales Representative acts as an insurance
2 agent and sells health and life insurance products. The Sales Representative is the sole
3 owner of United Financial Associates, Inc.

4 c. Family Trust Insurance, LLC wherein the Sales Representative acts as an agent selling
5 property insurance, casualty insurance, and commercial insurance products. The Sales
6 Representative owns fifty-percent (50%) of Family Trust Insurance, LLC.

7 5. Upon arriving for the inspection, investigators noted a lack of display signage for the
8 Respondent. Investigators for the Division were unsure whether they were in the correct location for
9 the Respondent's branch office due to the lack of signage and the presence of the above-mentioned
10 entities in the same location.

11 6. During the Division's inspection, the Sales Representative noted that she divides her
12 work time between her various businesses while also performing work for the Respondent, that her
13 comparative revenue from the Respondent in relation to her other business activities is very small, and
14 that she intended to cease operating the Respondent's branch office and resign from employment with
15 the Respondent.

16 7. Upon inspection, the Division noted that there were two additional employees for
17 Respondent besides the Sales Representative at the branch office—Rita Marquez ("Marquez") and
18 Doreen Clark ("Clark.") Marquez and Clark both engaged in Peak client emails, accepted account
19 applications for the Respondent and assisted potential clients with the same; submitted variable annuity
20 product applications, took in cashing items, and generally acted as a liaison between variable annuity
21 product agent and Respondent clients.

22 8. Upon questioning from the Division about supervision over Marquez and Clark, a
23 representative for the Respondent stated that Respondent was not providing supervision for either
24 because they were unaware that Marquez or Clark were involved in any securities transactions.

25 9. Upon further request, the representative for the Respondent stated that only the Sales
26 Representative had been provided with a Respondent-associated email address--agnas@pbsrep.com.
27 Upon review of the documents provided by the Respondent, there are actually Respondent-associated
28

1 email addresses for both Clark and Marquez: doreen@pbsrep.com and rita@peakbroker.com.

2 However, Respondent claimed no knowledge of the email addresses for Clark or Marquez.

3 10. Furthermore, Respondent's Policies and Procedures Manual requires that only Firm-
4 approved email addresses be used for client contact. Upon review of client files, the Division noted
5 that the Sales Representative utilized a non-Firm email address, agnas@unitedfinancialus.com, for
6 Respondent client communication and to receive forms for the Respondent.

7 11. Upon request by a Division Investigator, the Sales Representative was unable to produce
8 a customer complaint file to review the same.

9 12. The Sales Representative stated that she had not been provided with the Respondent's
10 Policies and Procedure Manual and attested to the same in communications with the Division on May
11 18, 2017.

12 13. The Administrator of the Division finds that the terms of this Order is in the public
13 interest.

14 CONCLUSIONS OF LAW

15 1. The Division has jurisdiction over this matter pursuant to the Act, which authorizes the
16 Division to regulate an entity or person acting as a broker-dealer.

17 2. NRS 90.220 defines a "broker-dealer" as any person engaged in the business of effecting
18 transactions in securities for the account of others or for the person's own account.

19 3. NRS 90.285 defines a "sales representative" as a natural person other than a broker-
20 dealer, authorized to act and acting for a broker-dealer or issuer effecting or attempting to effect
21 purchases or sales of securities.

22 4. NAC 90.3935(2) provides, in pertinent part, that a branch office must not be operated
23 "[w]ithin the physical confines of another business unless: (1) [t]here are conspicuous signs or physical
24 separation of the businesses that clearly indicate to the public that the businesses are separate and
25 distinct from one another[.]"

26 5. Respondent violated NAC 90.3935 by operating a branch office within the physical
27 confines of another business without physical separation between the entities and without displaying
28

1 clear signage that clearly indicated that the Respondent was separate and distinct from the Sales
2 Representatives additional businesses which operated at the same physical location.

3 6. In addition, NRS 90.420(1) allows the Division, through its Administrator, to take action
4 against the Respondent if the Administrator finds that it is in the public interest and the Respondent:

5 (b) Has violated or failed to comply with a provision of this chapter as now or
6 formerly in effect or a regulation or order adopted or issued under this chapter;
7 [or]

8 ...

(h) Has engaged in unethical or dishonest practices in the securities business[.]

9 7. NAC 90.327 provides that certain conduct or practices of a broker-dealers constitute
10 unethical or dishonest practices within the meaning of NRS 90.420(1)(h). Specifically, NRS 90.327
11 provides, in pertinent part, that:

12 1. A broker-dealer . . . who engages in any of the following acts or practices
13 shall be deemed to have engaged in an unethical or dishonest practice within the
14 meaning of paragraph (h) of subsection 1 of NRS 90.420:

15 ...

(d) Failing to comply with any applicable provision of:

(1) The *Conduct Rules* as adopted by reference in NAC 90.321; or

(2) Any applicable rule of conduct or ethical standard promulgated by:

(I) The Securities and Exchange Commission;

(II) A self-regulatory organization approved by the Securities and
Exchange Commission; or

(III) Any other organization approved by the Administrator by written
order.

18 ...

19 2. The provisions of this section are not all-inclusive. Any act or practice not
20 enumerated in subsection 1 may also be deemed an unethical or dishonest
21 practice within the meaning of NRS 90.420.

22 8. FINRA Conduct Rule 3110 requires Respondent to establish and maintain a system to
23 supervise the activities of its associated persons that is reasonably designed to achieve compliance with
24 the applicable securities laws and regulations and FINRA rules. Specifically, FINRA Rule 3110
25 provides, in relevant part:

3110. Supervision

(a) Supervisory System

Each member shall establish and maintain a system to supervise the activities of
each associated person that is reasonably designed to achieve compliance with
applicable securities laws and regulations, and with applicable FINRA rules.

1 Final responsibility for proper supervision shall rest with the member. A
2 member's supervisory system shall provide, at a minimum, for the following:

3 (1) The establishment and maintenance of written procedures as required by this
4 Rule...

5 **(b) Written Procedures**

6 **(1) General Requirements**

7 Each member shall establish, maintain, and enforce written procedures to
8 supervise the types of business in which it engages and the activities of its
9 associated persons that are reasonably designed to achieve compliance with
10 applicable securities laws and regulations, and with applicable FINRA rules.

11 ...

12 **(4) Review of Correspondence and Internal Communications**

13 The supervisory procedures required by this paragraph (b) shall include
14 procedures for the review of incoming and outgoing written (including electronic)
15 correspondence and internal communications relating to the member's investment
16 banking or securities business. The supervisory procedures must be appropriate
17 for the member's business, size, structure, and customers. The supervisory
18 procedures must require the member's review of:

19 (A) incoming and outgoing written (including electronic) correspondence
20 to properly identify and handle in accordance with firm procedures, customer
21 complaints, instructions, funds and securities, and communications that are of a
22 subject matter that require review under FINRA rules and federal securities laws.

23 (B) internal communications to properly identify those communications
24 that are of a subject matter that require review under FINRA rules and federal
25 securities laws.

26 Reviews of correspondence and internal communications must be conducted by
27 a registered principal and must be evidenced in writing, either electronically or
28 on paper.

(5) Review of Customer Complaints

The supervisory procedures required by this paragraph (b) shall include
procedure to capture, acknowledge, and respond to all written (including
electronic) customer complaints.

9. Here, the Sales Representative attested to the fact that she was not provided with a copy
of the Respondents Policies and Procedures Manual in violation of FINRA Rule 3110(b)(1), *supra*.

10. The Respondent violated FINRA Rule 3110(4) by failing to maintain a system of
supervision whereby it reviewed incoming and outgoing written correspondence in the form of emails
from the Sales Representative to Respondent clients from a non-firm email address and by failing to
review communications from two additional employees of the Respondent to the extent that
Respondent was unaware that such Respondent-associated email addresses existed.

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11. Respondent further failed to maintain a “complaint” file in order to include a procedure to “capture, acknowledge, and respond to all written (including electronic) customer complaints.” *FINRA Rule 3110(5)*.

12. Where the Respondent failed to maintain a supervisory system and violated FINRA Rule 3110 and adopted by reference in NAC 90.321, it has engaged in unethical conduct as set forth in NAC 90.327(2)(II), *supra*.

ORDER

Finding the following appropriate and in the public interest, and on the basis of the Findings of Facts, Conclusions of Law, and Respondent's consent to the entry of this Order,

IT IS HEREBY ORDERED:

1. Respondent Peak Brokerage Services, LLC is hereby ordered to pay to the Nevada Secretary of State, on or before this Order is executed, a civil penalty in the amount of Eight Thousand Dollars and No Cents (\$8,000.00).

2. Respondent shall submit herewith a check made payable to the Secretary of State in the amount of Eight Hundred Seventy-Nine Dollars and Sixty-Three Cents (\$879.63) for its fee for the inspection of records performed under NRS 90.410.

3. In consideration, the Division will take no further enforcement action based upon the circumstances covered by this inspection and this Order and close its administrative investigation of the Respondent in connection with the aforementioned activities.

4. Nothing in this Order shall be construed as a waiver of the Division's right to investigate and pursue any violations by the Respondent in connection with actions other than the actions as set forth herein.

5. Nothing in this Order is intended to limit or create for third parties any private remedies against the Respondent.

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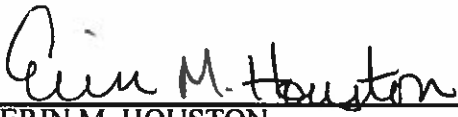
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1 This Order shall be effective as of the date on which it is signed by the Administrator as set
2 forth below.

3 DATED this 21 day of June, 2019.

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

6 
7 _____
8 ERIN M. HOUSTON
9 Securities Administrator

1 **CONSENT TO ENTRY OF ADMINISTRATIVE ORDER**

2 Peak Brokerage Services, LLC ("Peak Brokerage"), by and through its authorized
3 representative, hereby acknowledges that they have been served with a copy of this Administrative
4 Consent Order ("Order"), have read the foregoing Order, are aware of their rights to a hearing and
5 appeal in this matter, and have waived the same.
6

7 Peak Brokerage, by and through its authorized representative, admits the jurisdiction of the
8 Securities Division of the Office of the Secretary of State, State of Nevada ("Division"); consents to
9 entry of this Order by the Administrator of the Division as settlement of the issues contained in this
10 Order.
11

12 Peak Brokerage, by and through its authorized representative states that no promise of any kind
13 or nature, other than the consideration set forth in the Order, was made to it to induce it to enter into
14 this Order and that it has entered into this Order voluntarily.

15 Matt A. Myers represents that they are the authorized representative of Peak
16 Brokerage, and that as such, they have been authorized by Peak Brokerage to enter into this Order for
17 and on behalf of Peak Brokerage.
18

19 Peak Brokerage Services, LLC

20 
21 By: _____
22 Authorized Representative

23 Subscribed and sworn to before me
24 On this 20 day of June, 2019

25 
26 Notary Public, in and for the
27 County of Palm Beach, State of Florida
28

