

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:

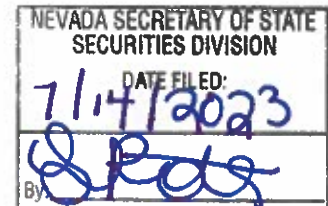
**KASPER, ALEXANDER L (CRD #123114);
and ALEXANDER LEONHARD KASPER
(CRD #2244481)**

Respondents.

ADMINISTRATIVE CONSENT ORDER

File No. CIC22-035

**TO: Kasper, Alexander L
Alexander Leonhard Kasper
7305 Pembroke Drive
Reno, NV 89502**



WHEREAS, Kasper, Alexander L (Firm), CRD No. 123114, a Nevada-based sole proprietor, headquartered at 7305 Pembroke Drive, Reno, NV 89502, has been licensed by the Securities Division of the Office of the Nevada Secretary of State (Division) as an investment adviser since September 10, 1999.

WHEREAS, Alexander Leonhard Kasper, CRD No. 2244481, has been licensed by the Division as an investment adviser representative of the Firm since October 31, 2002.

WHEREAS, pursuant to the authority provided in Nevada Revised Statutes (NRS) § 90.410, the Division conducted an inspection beginning on March 18, 2022 of Respondents' records to determine compliance with the Nevada Uniform Securities Act (Act), codified at NRS Chapter 90, and the Regulations adopted thereunder and codified in Chapter 90 of the Nevada Administrative Code (NAC);

WHEREAS, based on the facts and circumstances revealed during the course of this inspection and a previous inspection (Case CIC18-059), the Division has concluded that Respondents have continued to fail to explicitly disclose to their advisory clients their continuing practice of fee rounding as part of the Firm's advisory fee formula, in violation of the requirements of The Statement of Policy on Unethical Business Practices of Investment Advisers, NASAA Model Rule 102(a)(4)-1, as adopted by reference in NAC § 90.3864, subsection 1;

1 **WHEREAS**, based on the facts and circumstances revealed during the course of this
2 inspection, the Division has concluded that Respondents failed to have written Investment
3 Advisory Agreements with clients disclosing all relevant terms of their advisory relationships, in
4 particular, Respondents' practice of fee rounding, in violation of NASAA Model Rule 102(a)(4)-
5 1, as adopted by NAC § 90.3864, subsection 1, which states in pertinent part: "an investment
6 adviser, an investment adviser representative . . . shall not engage in unethical business practices,
7 including the following: (p) Entering into, extending or renewing any investment advisory
8 contract, unless such contract is in writing and discloses, in substance, the services to be provided,
9 the term of the contract, the advisory fee, the formula for computing the fee, the amount of prepaid
10 fee to be returned in the event of contract termination or non-performance, whether the contract
11 grants discretionary power to the advisor and that no assignment of such contract shall be made by
12 the investment adviser without the consent of the other party to the contract."

13 **WHEREAS**, pursuant to the Act and the Regulations adopted thereunder, Respondents are
14 charged with complying with all applicable requirements while engaged in any securities-related
15 business in or from the State of Nevada;

16 **WHEREAS**, Respondents have cooperated with the Division's inspection by responding
17 to inquiries, and providing documentary evidence;

18 **WHEREAS**, Respondents have advised the Division of their agreement to resolve the
19 aforementioned violations on the terms specified in this Administrative Consent Order (Order);

20 **WHEREAS**, Respondents elect to permanently and expressly waive any right to a hearing
21 and appeal under the Act and/or to seek judicial review under the Nevada Administrative
22 Procedures Act, codified in NRS Chapter 233B, with respect to this Order; and

23 **WHEREAS**, Respondents consent to the entry of this Order solely for the purpose of
24 terminating the Division's inspection and in settlement of the issues contained in this Order.

25 **NOW THEREFORE**, the Administrator of the Division, pursuant to the Act, hereby
26 makes the following Findings of Fact and Conclusions of Law:
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1 **FINDINGS OF FACT**

2 1. Respondent Kasper, Alexander L is an investment adviser licensed by the Division
3 since September 10, 1999, with its principal place of business located at 7305 Pembroke Drive,
4 Reno, Nevada 89502.

5 2. Respondent Alexander Leonhard Kasper is an investment adviser representative of
6 Respondent Kasper, Alexander L, and has been licensed as such by the Division since October 31,
7 2002.

8 3. On March 18, 2022, investigators with the Division initiated an inspection of
9 Respondents' records pursuant to the authority provided in NRS § 90.410.

10 4. During the above-referenced inspection the Division found that Respondents failed
11 to provide clients with itemized fee invoices containing the formula used to calculate their advisory
12 fees including the continuing practice of rounding advisory fees.

13 5. Respondents failed to explicitly disclose the continuing practice of rounding
14 advisory fees in written Investment Advisory Agreements with their clients and the Firm's Form
15 ADV Brochure.

16 6. Respondents have failed to rectify the deficiencies noted in Finding 5, above,
17 despite having been advised to do so in a Deficiency Letter dated July 27, 2018, issued in a
18 previous Division inspection of Respondents (Case CIC18-059).

19 **CONCLUSIONS OF LAW**

20 1. The Division has jurisdiction over this matter pursuant to the Act, which authorizes
21 the Division to regulate an entity or person acting as an investment adviser or investment adviser
22 representative. Specifically, NRS § 90.420 allows the Division, through its Administrator, to take
23 action against Respondents for violating the Act or any Regulation or order adopted or issued
24 under said Act.

25 2. Respondents failed to provide clients with itemized fee invoices containing
26 the formula used to calculate their advisory fees including any rounding disclosures in violation
27 of the requirements of NASAA Model Rule 102(a)(4)-1, as adopted by reference in
28 NAC § 90.3864, subsection 1.

3. Respondents failed to explicitly disclose to their clients in their written Investment Advisory Agreements and the Firm's Form ADV Brochure their continuing practice of rounding advisory fees, in violation of NASAA Model Rule 102(a)(4)-1, as adopted by reference in NAC § 90.3864, subsection 1, despite having been advised to do so in a previous Division inspection.

NOW THEREFORE, the Administrator of the Division, pursuant to the Act, hereby enters the following Order:

ORDER

Finding the following appropriate and in the public interest, and on the basis of the preceding Findings of Fact, Conclusions of Law, and Respondents' consent to the entry of this Order,

IT IS HEREBY ORDERED that:

1. Respondents will cease from violating the Act and the Regulations adopted thereunder, and will comply with said Act and Regulations now and in the future.

2. Respondents will ensure the dissemination of fee invoices to their clients that explicitly disclose the practice of rounding advisory fees as part of the fee formula calculation.

3. Respondents shall have written Investment Advisory Agreements with their clients that explicitly disclose their practice of rounding advisory fees.

4. Respondents shall explicitly disclose in the Firm's Form ADV Brochure their practice of rounding advisory fees.

5. Respondents shall pay the Nevada Secretary of State, on or before the date that this Order is executed, a civil penalty in the amount of One Thousand Dollars (\$1,000.00). Said funds shall be deposited in the State General Fund for credit to the Secretary of State's Operating General Fund Budget Account and shall be used for the purposes set forth in NRS 90.851.

6. In addition, Respondents shall pay the Nevada Secretary of State, on or before the date that this Order is executed, the fee for the Division's inspection of records performed pursuant to NRS § 90.410 in the amount of \$933.65.

1 7. All amounts submitted under this section shall be remitted to:

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

5 8. In consideration, the Division will take no further enforcement action against
6 Respondents based upon the circumstances covered by this inspection and this Order and close its
7 administrative inspection of Respondents in connection with the aforementioned activities.

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

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12 DATED this 14th day of July, 2023.

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

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16 
17 ERIN M. HOUSTON
18 Securities Administrator
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Kasper, Alexander L and Alexander Leonhard Kasper represent that no promise of any kind or nature, other than the consideration set forth in the Division's Order in Case Number CIC22-035, was made to them to induce them to enter into this Order and that they have entered into this Order voluntarily.

6 of 6

Lucas Foletta, Esq.
lfoletta@mcdonaldcarano.com

Respond to Reno Office

July 12, 2023

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

Re: In the Matter of: Kasper, Alexander L (CRD #123114);
and Alexander Leonhard Kasper (CRD #2244481)
File No. CIC22-035

\$1000 Rev
\$933.65
IF
IS2023-0714-0002
IS20230714-0003


Dear Ms. Roter:

I have enclosed the following in the above-referenced matter:

- 1) Signed and notarized Administrative Consent Order;
- 2) Check No. 1188 payable to Nevada Secretary of State in the amount of \$933.00 (3/18/22 Inspection);
- 3) Check No. 1189 payable to Nevada Secretary of State in the amount of 1,000.00 (CIC22-035 Admin. Const. Order).

Please do not hesitate to contact me if you have any questions. Thank you.

Sincerely,



Lucas Foletta, Esq.

LMF/cd
Enc. – Administrative Consent Order; 2 checks
Cc: Shady Sirsy, Chief of Enforcement for Securities