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**BEFORE THE ARKANSAS SECURITIES COMMISSIONER**  
**CASE NO. S-20-0013**  
**ORDER NO. S-20-0013-20-OR01**

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**IN THE MATTER OF:**

**CETERA INVESTMENT SERVICES, LLC**

**RESPONDENT**

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**CONSENT ORDER**

This Consent Order (“Order”) is entered pursuant to the Arkansas Securities Act (“Act”), codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509, the Rules of the Arkansas Securities Commissioner promulgated pursuant to the Act (“Rules”), and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201 through 25-15-220, in accordance with an agreement between the Staff of the Arkansas Securities Department (“Staff”) and the Respondent, Cetera Investment Services, LLC (“Cetera”).

The Respondent admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), waives its right to a formal hearing and appeal, consents to the entry of this Order without admitting or denying the findings of fact and conclusions of law made herein, and agrees to abide by its terms in full and final settlement of all claims that could be brought against Cetera by the Staff on the basis of the facts set forth herein.

**FINDINGS OF FACT**

1. Cetera, CRD No. 15340, is a registered broker-dealer with a principal place of business at 400 First Street South, Suite 300, St. Cloud, Minnesota 56302. Cetera has been registered as a broker-dealer with the Arkansas Securities Department (“Department”) since May 24, 1985.

2. In 2019, the Staff completed an examination of Cetera's broker-dealer activities in Arkansas. At the time of the Staff's exam, Cetera conducted business out of approximately 16 branch offices and 93 offices of convenience in Arkansas. The Staff's exam found that Cetera had a designated supervisor for a branch office in Arkansas who was not registered with the Department.

3. The Staff's review of Cetera's written supervisory policies and procedures in place at the time of the exam found that Cetera had adequate provisions requiring the proper registration of its designated supervisors. Cetera has cooperated fully with the Staff's review of this matter and has assured the Staff that the firm has implemented the proper internal controls and supervisory procedures necessary to ensure future compliance with the registration requirements of the Act and Rules.

#### **LEGAL AUTHORITY AND CONCLUSIONS OF LAW**

4. Rule 301.01(c)(1)(A) of the Rules requires that an agent of a broker-dealer appointed to carry out supervisory responsibilities for a broker-dealer pursuant to the Act must be registered in Arkansas. The failure of Cetera's designated supervisor to be properly registered with the Department violated Rule 301.01(c)(1)(A) of the Rules.

5. Ark. Code Ann. § 23-42-308(a)(2)(J) provides that the Commissioner may suspend or revoke any registration or impose other appropriate penalties if he finds that a registered broker-dealer has failed reasonably to supervise its agents or employees. Cetera violated Ark. Code Ann. § 23-42-308(a)(2)(J) when it named a designated supervisor for a branch office who was not properly registered with the Department.

6. Ark. Code Ann. § 23-42-308(h) provides that matters may be resolved by consent order in lieu of a formal proceeding.

### UNDERTAKINGS

In settlement of this matter, Cetera agrees to pay a fine to the Department in the amount of \$50,000.00 immediately upon entry of this Order.

### OPINION

This Order is in the public interest. The facts as set forth in paragraphs one through three support the violations of the Act as set forth in paragraphs four through six.

### ORDER

IT IS THEREFORE ORDERED that, in accordance with its undertaking, Cetera shall pay a fine to the Department in the amount of \$50,000.00 immediately upon entry of this Order. Payment shall be made via wire transfer to the Department's bank account. Cetera shall comply with all requirements in the Act and Rules related to the registration of designated supervisors in Arkansas and shall institute any internal controls necessary to ensure future compliance with the Act and Rules. This Order is not intended to form the basis for any disqualification under the laws of the United States, any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands, or under the rules or regulations of any securities or commodities regulator or self-regulatory organization. This Order is not intended to be a final order based upon violations of any Arkansas statute, rule, or regulation that prohibits fraudulent, manipulative, or deceptive conduct.

WITNESS MY HAND AND SEAL this the 21<sup>st</sup> day of June, 2021.



Eric P. Munson  
Arkansas Securities Commissioner

I hereby agree to the entry of this Consent Order; consent to all terms, conditions, and orders contained therein; and waive any right to appeal from this Order.

  
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Cetera Investment Services, LLC, Respondent

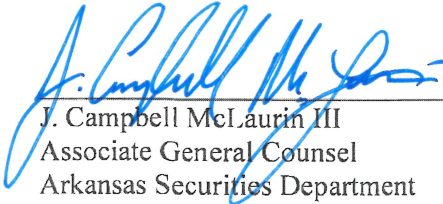
6/18/21  
\_\_\_\_\_  
Date

By: Brian Haley [Name/Title]  
Chief Compliance Officer  
Cetera Investment Services

*Approved as to Content and Form:*

  
\_\_\_\_\_  
Richard C. Downing  
Attorney for the Respondent

6/18/2021  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
J. Campbell McLaurin III  
Associate General Counsel  
Arkansas Securities Department

6/18/2021  
\_\_\_\_\_  
Date