

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:

**KEITH MICHAEL ROGERS
R&P DEVELOPMENT LLC**

RESPONDENTS

**ADMINISTRATIVE ORDER
NO. CD-2014-0016**

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. **KEITH MICHAEL ROGERS. ("ROGERS")**, was a previously registered Investment Adviser Representative (CRD# **4987615**), having a home address of 2908 Thornblade Place, Huntsville, Alabama 35801.

2. **R&P DEVELOPMENT, LLC ("RPD")**, is an Alabama Corporation having a principle address of 608 Thornton Avenue, Huntsville, Alabama 35801.

STATEMENT OF FACTS

3. An online search of the Alabama Secretary of State Division of Corporations website revealed ROGERS filed articles of incorporation for RPD on March 15, 2010, listing the nature of the business for RPD as "purchasing new and existing residential listings for resale."

4. A July 21, 2014, a review of the Commission files disclosed ROGERS is currently not registered with an employer/firm, having termed from Concert Wealth Management ("CONCERT") (CRD #141253) on June 22, 2014. A registration summary revealed ROGERS termed from Warren Averett Asset Management, LLC ("Warren Averett") (CRD #115332) in May 2014 and was termed from GLS & Associates, Inc ("GLS") (CRD #47502) in January 2013.

5. A July 23, 2014, review of the Commission files disclosed no record of registration for RPD in any capacity.

6. Information made available to the Commission revealed that on June 18, 2014, three Alabama residents filed a civil complaint in the Circuit Court of Madison County, Alabama, re: 47-CV-2014-901289, naming ROGERS and RPD as defendants. The three Alabama residents are previous investment advisory clients of ROGERS while employed with GLS and Warren Averett.

7. Alabama resident "DP", represented to the Commission by sworn affidavit that ROGERS, while a registered investment advisor with GLS, recommended a number of "investment opportunities in private placements."

8. From October 30, 2009, to July 2, 2013, DP conducted five (5) transactions with ROGERS involving three (3) separate Huntsville, Alabama, area small businesses which included RPD. DP alleges funds in the amount of \$750,000.00 were issued to ROGERS with the funds being deposited into a RPD bank account controlled by ROGERS.

9. Alabama resident "DB" represented to the Commission by sworn affidavit that on or about October 10, 2012, ROGERS, while a registered investment advisor with GLS, liquidated securities in the amount of \$365,000.00 and transferred the funds to DB's personal account. DB further alleged that on or about October 19, 2012, ROGERS transferred funds in the amount of \$365,000.00 from DB's personal bank to an RPD bank account controlled by ROGERS.

10. DB alleges to the Commission that ROGERS misrepresented to DB the

funds were used to purchase securities. In fact, ROGERS used the funds to purchase real property in his name.

11. DB further alleges in relation to the transfers, DB never received a dividend, distribution, interest payment or other return of principle. Moreover, in relation to the transfers, DB never received a stock certificate or other record documenting ownership of any security or other investment.

12. Alabama resident "TP" represented to the Commission by sworn affidavit that from October 2011, to February 2012, while TP was on active duty, ROGERS, while a registered investment advisor with GLS, was entrusted with financial matters including access to personal accounts and paying certain bills.

13. TP represented to the Commission that during this same period ROGERS made at least Twelve (12) unauthorized transfers and/or distributions in the aggregate amount of \$81,350.00, from the personal bank account of TP to an RPD bank account controlled by ROGERS.

14. TP alleges that ROGERS claimed the transfers were purportedly for the purchase of various securities or other investments for TP's investment account. TP further alleges in relation to the transfers TP never received a dividend, distribution, interest payment or other return of principle. Moreover, in relation to the transfers, TP never received a stock certificate or other record documenting ownership of any security or other investment.

15. According to the Servis First Bank documents made available to the Commission, ROGERS is the only signatory assigned to the RPD account.

16. According to Alabama resident and previous investment advisory client "CJ", on June 12, 2014, ROGERS made contact with CJ and misrepresented the contractual terms of CJ's Warren Averett account to induce the client to move their account to CONCERT.

17. On June 20, 2014, ROGERS, while a licensed and registered investment

advisor with CONCERT, contacted an Alabama resident and previous investment advisory client "KB". According to KB, the purpose of the contact by ROGERS was to solicit a \$20,000.00 loan to be repaid in 60 days plus interest.

CONCLUSIONS OF LAW

18. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of a security includes any investment contract. The RPD private placements investments offered and sold by ROGERS are investment contracts and are securities under the Alabama Securities Act.

19. Pursuant to Section 8-6-3, Code of Alabama 1975, it is unlawful for any person to transact business in the state as a dealer or agent for securities unless he is registered under the Act. ROGERS was registered as an investment adviser representative with the state of Alabama, for a limited portion of the relevant period detailed in this Order. However, ROGERS sold securities not approved for sale by his broker dealer and therefore acted as an agent for transactions not permitted under his registration. Based on the foregoing, ROGERS was not appropriately registered to execute the transactions in question and acted as an agent for such transactions in violation of the Act.

20. Pursuant to Section 8-6-4, Code of Alabama 1975, It is unlawful for any person to offer or sell any security in this state unless it is registered under the Act; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. The securities, i.e. RPD private placements offered and sold by ROGERS were neither registered nor exempt from registration in Alabama at the time of solicitation or sale and were offered and sold in violation of the act.

21. Section 8-6-3(J)(7), Code of Alabama 1975 states: "The Securities Commission may by order deny, suspend or revoke any registration, censor or bar any applicant or registrant; who has engaged in dishonest or unethical practices in the securities business". ROGERS conducted private security transactions ("selling away") by failing to obtain approval from the member firm prior to the offer and sale of the securities

mentioned herein. The RPD investment contracts offered and sold by ROGERS were not registered, nor exempt from registration, as required by the Alabama Securities Act. Furthermore, ROGERS conducted unauthorized fund transfers and converted client funds for personal use. ROGERS' conduct constitutes dishonest or unethical practices in violation of the Act.

This Order does not prevent the Alabama Securities Commission from seeking such other administrative, civil or criminal remedies that are available to it under the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the RESPONDENTS to make a timely request for hearing, or default of the respondents, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, inter alia, an administrative assessment imposed on RESPONDENTS, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against RESPONDENTS, and a permanent order to bar RESPONDENTS from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that the **RESPONDENTS** immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 24th day of July, 2014.



ALABAMA SECURITIES COMMISSION
401 Adams Avenue, Suite 280
Montgomery, AL 36104
(334) 242-2984

BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over a horizontal line.

Joseph P. Borg
Director