

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
Order No. S-15-0045-15-OR01

IN THE MATTER OF
DAVID ANDREW LUKAS, APPLICANT

Case No. S-15-0045

ORDER GRANTING CONDITIONAL REGISTRATION

This 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 Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201 through 25-15-219.

FINDINGS OF FACT

1. On March 30, 2015, David Andrew Lukas (“Lukas”) submitted an application for registration with the Arkansas Securities Department (“Department”) as an investment adviser representative with Signature Investments, Inc. (“Signature”), CRD No. 113443. The Department approved Lukas’s registration with Signature on March 31, 2015.

2. On September 22, 2015, The Staff of the Arkansas Securities Department (“Staff”) conducted an on-site examination of Lukas’s offices. The Staff cited the following deficiencies and regulatory irregularities as a result of the examination:

(a) Lukas exercised prohibited authority in several client accounts by filling out account paperwork and transaction applications in the place of the client. Specifically, Lukas drafted and had certain clients sign an agreement that granted him the authority to complete paperwork outside of their presence. Relying on this agreement, the client would sign the

applicable documentation, and Lukas would later populate the informational portions of the document on the client's behalf.

(b) Lukas conducted unregistered investment advisory work during a time he was not properly registered with the Department. While acting as an investment adviser representative, Lukas advised a client to cash out a portion of her retirement account to fund the contract value of an indexed annuity. The paperwork for the indexed annuity was executed by the client and Lukas on March 5, 2015. Lukas was not registered with the Department as a representative with Signature until several weeks later on March 31, 2015.

3. After the Staff's examination, Lukas submitted an application with the Department on September 30, 2015, for the registration of David Lukas Financial ("DLF") as an investment adviser and for Lukas to be registered with the Department as an investment adviser representative.

4. Lukas has cooperated with the Department throughout the examination process and during the pendency of his latest registration application. Lukas has assured the Staff that he has implemented the internal controls and undertaken the policy changes necessary to ensure that the above detailed violations do not occur in the future.

CONCLUSIONS OF LAW

5. Ark. Code Ann. § 23-42-302(a)(2) provides in part that the Commissioner may by order approve a limited registration with such limitations, qualifications, or conditions as the Commissioner deems appropriate.

6. Rule 308.02(y) of the Rules requires registrants to observe just and equitable principles of trade in the conduct of their business. Lukas's actions in populating portions of documents after clients had signed the documents violated this Rule, as set forth in paragraph 2(a) above.

7. Ark Code Ann. § 23-42-301(c) provides in part that it is unlawful for a person to transact business in this state as an investment adviser representative without first being registered under the Act. Lukas violated this provision by acting as an investment adviser representative before he was properly registered, as set forth in paragraph 2(b) above.

8. Ark. Code Ann. § 23-42-308(h) allows for an informal disposition of allegations in lieu of instituting formal proceedings.

ORDER

The application of David Andrew Lukas for registration as an investment advisor representative with David Lukas Financial is hereby approved, but this approval is made conditional upon the following conditions:

(a) Lukas shall submit to a for-cause examination of his office by the Staff within one year from the date of the entry of this Order. Lukas shall make all records prescribed by the Rules available for examination as the Commissioner deems necessary or appropriate, and shall also make all client files containing transactions related to indexed annuities available for examination. Lukas shall pay a fee for the examination along with all allowable travel expenses for the Staff's examiners, as set forth under Ark. Code Ann. § 23-42-306(d);

(b) Lukas shall pay a fine to the Department in the total amount of \$5,000.00. The fine shall be paid within ten days of the entry of this Order. Payment shall be made payable to the Arkansas Securities Department and delivered by hand or mail to 201 East Markham, Suite 300, Little Rock, Arkansas 72201; and

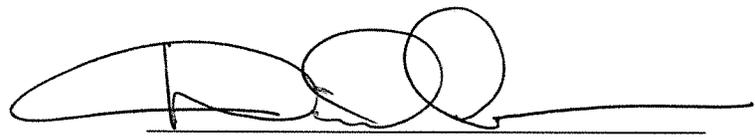
(c) Any failure by Lukas to adhere to the provisions of this Order shall result in additional disciplinary action, including fines, suspension, or termination of Lukas's registration with the Department as an investment adviser representative.

IT IS SO ORDERED, on this the 19th day of January, 2016.



B. Edmond Waters
Arkansas Securities Commissioner

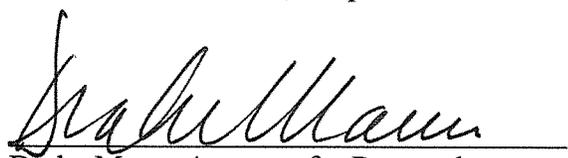
Approved as to Content and Form:



David Andrew Lukas, Respondent

1-14-16

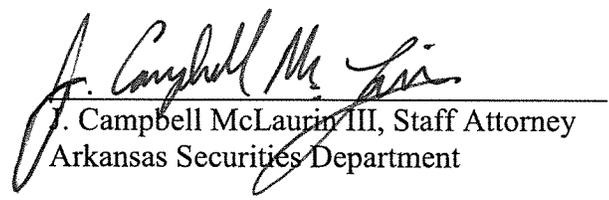
Date



Drake Mann, Attorney for Respondent

1/15/16

Date



J. Campbell McLaurin III, Staff Attorney
Arkansas Securities Department

1/19/16

Date