

**BEFORE THE INVESTOR PROTECTION DIRECTOR
OF THE STATE OF DELAWARE**

IN THE MATTER OF:	:	
	:	
CAMBRIDGE INVESTMENT RESEARCH, INC.,	:	
and CAMBRIDGE INVESTMENT RESEARCH	:	IPU Matter No. 24-0316
ADVISORS, INC.,	:	
	:	
Respondents.	:	

ADMINISTRATIVE CONSENT ORDER

WHEREAS, Respondent Cambridge Investment Research Advisors, Inc. (“CIRA”), Investment Adviser Registration Depository No. 134139, has been registered as a federal covered investment adviser with the United States Securities and Exchange Commission (“SEC”) since Feb. 3, 2005, and notice filed with Delaware since Mar. 24, 2005;

WHEREAS, Cambridge Investment Research, Inc. (“Cambridge Investment,” and together with CIRA, “Cambridge” or the “Firm”), Central Registration Depository (“CRD”) No. 39543, has been registered as a broker-dealer with Delaware since March 18, 1997;

WHEREAS, the Investor Protection Unit of the Delaware Department of Justice (the “Unit”) was conducting an investigation into Respondents’ interactions with a formerly affiliated financial professional (the “Former FP”) in connection with that individual’s former clients (who remained clients of the Firm) after the individual was terminated by the Firm and the transition of the Former FP’s clients to another financial professional (the “New FP”) within the same branch office of Cambridge (the “Branch Office”);

WHEREAS, Respondents neither admit nor deny the Findings of Fact and Conclusions of Law contained herein;

WHEREAS, Respondents and the Investor Protection Unit wish to avoid the uncertainties of protracted litigation, and, therefore, have consented to the entry of this Administrative Consent

Order (the “Order”), pursuant to the terms specified herein;

WHEREAS, Respondents elect to waive permanently any right to a hearing and appeal of the matters addressed in this Order;

WHEREAS, Respondents admit that the Director of the Investor Protection Unit (the “Director”) has both subject matter and personal jurisdiction over Respondents in this matter; and

WHEREAS, the Director finds, based on the following, that this Order and the relief set forth herein are appropriate and in the public interest;

NOW THEREFORE, the Director hereby enters this Order:

FINDINGS OF FACT

1. The Former FP was a registered investment adviser representative and broker-dealer agent when a non-respondent broker-dealer terminated his registration in June 2019 for document irregularities.

2. After the Former FP’s termination, the Financial Industry Regulatory Authority (“FINRA”) launched an investigation into the document irregularities.

3. In July 2019, the Former FP joined Cambridge, with the New FP becoming the Former FP’s supervisor.

4. On July 10, 2019, Cambridge filed a Form U4 application via CRD requesting registration for the Former FP in Delaware as a broker-dealer agent with Cambridge Investment and as an investment adviser representative with CIRA.

5. Delaware approved the registration.

6. The Former FP was registered with Cambridge until mid-2021, and he was not the subject of any Cambridge customer complaints. The Former FP provided services to approximately 146 clients, who had 210 advisory accounts and 130 brokerage accounts. With respect to the advisory accounts, approximately 169 of the 210 accounts were monitored and, as

appropriate, rebalanced by a money manager (not by the Former FP) in accordance with the customer agreement and the client's investment objectives, as determined and documented by the Former FP. The remaining advisory accounts were managed directly by the Former FP.

7. In May 2021, FINRA's investigation into the Former FP regarding issues at his prior firm culminated in a draft settlement agreement titled Letter of Acceptance, Waiver and Consent ("AWC"), which the Former FP shared with the Firm.

8. On or about June 1, 2021, Cambridge told the Former FP that he would not be allowed to remain affiliated with the Firm.

9. Cambridge and the Former FP agreed that the Former FP would be permitted to resign effective June 11, 2021.

10. On June 21, 2021, ten days after termination of the Former FP's registration with the Firm, FINRA issued the AWC against the Former FP.

11. Representatives of Cambridge, including the New FP, expected the Former FP to take his clients with him, as that was common practice for financial professionals at firms like Cambridge that utilize the "independent contractor" business model.

12. However, the Former FP's former clients remained clients of Cambridge until the Former FP joined a new firm and had his former clients execute an engagement agreement with the new firm.

The Former FP Continues to Operate

13. As a result of the Former FP's separation from Cambridge on June 11, 2021, the Former FP's Delaware registrations as an investment adviser representative and broker-dealer agent automatically terminated that day, pursuant to the Act, 6 *Del. C.* § 73-302(b) and (d).

14. The Former FP, therefore, was required to stop providing investment advice or

effecting transactions in securities unless and until the Former FP became registered with another firm.

15. However, the Former FP's interactions with his now-former clients – who remained clients of Cambridge – continued for a year, as described below.

Cambridge Files a Form U5

16. Investment advisory firms and broker-dealers are required to file a Form U5 with regulators when the firm terminates an individual's registration with the firm.

17. The filing of the Form U5, which is structured to collect detailed information about a financial professional's registration termination and to put the public on notice that a particular individual is no longer affiliated with a particular firm, is not just an administrative formality.

18. The timely filing of an accurate Form U5 ensures transparency within the financial services industry by flagging misconduct, holding individuals accountable, and discouraging firms from surreptitiously passing along problematic personnel.

19. Cambridge filed a Form U5 with FINRA on June 25, 2021, documenting the termination of the Former FP's affiliation with the Firm as of June 11, 2021, and thereby complying with FINRA's requirements that such filings be within 30 days of termination.

20. A firm filing a Form U5 is required to classify the nature of the individual's termination of registration as either "Discharged," "Other," "Permitted to Resign," "Deceased," or "Voluntary."

21. The Firm chose to categorize the Former FP's termination on the Form U5 as "permitted to resign," as opposed to "discharged."

22. That characterization of the Former FP's separation – that he was "permitted to resign" – had been a negotiated term of his departure.

The Former FP's Interactions with Clients and Cambridge Continue

23. Even with the Former FP's separation from the Firm "official" after the Form U5 filing, the Former FP continued to interact with his former clients and Cambridge.

24. The Firm, as of June 25, 2021, had not terminated the Former FP's ability to receive client trade confirmations or other Firm communications about the status of client accounts.

25. The former clients' access to the Former FP, also, had not changed because he retained his same business address, phone number, and d/b/a email address, none of which the Firm controlled.

26. When the Former FP replied to their emails, the boilerplate disclosure language containing both firms' names – Cambridge Investment Research Advisors, Inc. and Cambridge Investment Research, Inc. – remained displayed below the Former FP's signature block.

27. And the website for the Former FP's advisory business continued to display the Firm's name and offer access to the Firm's advisory materials.

28. Without the ability to directly effect securities transactions and account transfers, the Former FP switched to using the Firm's call center representatives at Partner Support Services, the Trading Desk, and the Cashiering Desk to accomplish the same results.

29. As a consequence of the Firm's inaction, the Former FP – who was unaffiliated and unregistered – was able to continue to assist former clients with transactions and/or interactions with Cambridge.

The Firm's Conduct Post-Termination

30. Over the next year, the Former FP communicated with call center representatives for the Firm's Partner Support Services, Trading Desk, and Cashiering Desk on more than 120 occasions.

31. All but three of the more than 120 calls with Cambridge were initiated from either the Former FP's office phone number or his cell phone number.

32. The Former FP began many of these calls by introducing himself to the call center representative and specifically stating that he was no longer registered or associated with the Firm but was transitioning to another firm – often before adding his former client to the call.

33. However, even if the Former FP had not been so forthcoming on each call, the Cambridge representative could see that the Former FP was no longer affiliated with Cambridge because the call center system reflected the Former FP's status as terminated.

34. There were also occasions where the Former FP acknowledged, with the client on the call, that he was not the current FP for the client and provided the name of the newly assigned FP. On some occasions, a client indicated that the Former FP was the client's financial professional *at the Firm*, which was not accurate because the Former FP was no longer affiliated with the Firm. On other occasions, all participants understood the FP was no longer the financial professional of record at the Firm.

35. Regardless of whether (or how) the termination of the Former FP's affiliation with the Firm was disclosed during these calls, the Former FP's inability to provide advisory or brokerage services to Cambridge clients, was never disclosed.

36. The Firm failed to adequately supervise call center representatives who, despite their knowledge of the Former FP's registration status – and at times the clients' apparent lack of such knowledge – regularly failed (i) to flag the Former FP's registration status for his former clients when those clients were added to the call by the Former FP or (ii) to prevent the Former FP from using the call center to orchestrate securities transactions and account transfers while he was unregistered.

37. On 45 occasions, the interaction was solely between the Former FP and the Firm, i.e., the Firm acted or conveyed client information at the behest of the Former FP, a person the Firm knew was unregistered.

38. Despite (i) being aware of the Former FP's involvement in these call center interactions and (ii) being "aware of [the Former FP]'s registration status" during this entire period, the Firm, over the next year, never expressly told the Former FP to cease assisting his former clients or using Firm operations and personnel.

The Firm's First Inadequate Attempt at Informing Clients About the FP

39. On July 8, 2021, Cambridge sent a letter to the Former FP's former clients (the "First Client Letter"), stating in relevant part that:

as of June 11, 2021, [the FP] is no longer a financial professional of Cambridge Investment Research, Inc. As such, [the FP] no longer has access to your account information at Cambridge nor may he provide services through Cambridge.

Your account(s) will continue to be serviced by a member of [the Branch Office]. Your advisor will be reaching out to you regarding this if they have not already done so. In the meantime, if you have any questions or concerns regarding your account, please contact [the Branch Office] at [phone number] or Cambridge at [phone number].

For your reference, you can locate information about the current status of [the FP] by visiting BrokerCheck at www.finra.org.

40. The First Client Letter did not explain that unless the Former FP was affiliated with another firm, he should not be in contact with them regarding advisory or brokerage business.

41. The First Client Letter was on Cambridge Investment letterhead. All recipients of the letter were brokerage customers. Some recipients were also clients of CIRA, the advisory side of the Firm, but the letter failed to address whether the FP remained associated with CIRA (which he did not).

42. Finally, the First Client Letter failed to identify who at the Firm the clients should engage with going forward.

Cambridge Supervisory Gaps and the Former FP's Subsequent Activity

43. The (i) lack of details and inaccuracies in the First Client Letter, (ii) the lack of adequate follow-up communications, and (iii) the call center representatives' handling of the situation, allowed the Former FP to continue to mislead his former clients regarding his relationship with the Firm – and his current ability to validly serve those former clients.

44. For example, when one former client asked in an email, “What is this?” referring to the First Client Letter from Cambridge, the Former FP responded:

I'm in the process of changing my back office processing. All this means is that my investment licenses are transferring over to the new company who will process my paperwork. Nothing will change with your accounts and I will still be the advisor. Once my licenses are transferred in the next few weeks, I'll reach out and grab a couple [of] signatures from you.

Cambridge is required to send out those letters anytime [an] advisor moves. They just sent those letters out earlier than they told me they would. You were on my list to reach out to today, but [Cambridge] beat me to it.

(Emphasis added.)

45. The Former FP shared similar false and misleading explanations with other former clients, describing his termination in the subject line of an email as an “Operational Change” and even spinning the job change as his choice and as a positive for the client.

The First Client Letter Also Contained Inaccurate Statements

46. The First Client Letter also contained inaccurate statements. For example: “[The Former FP (i)] no longer has access to your account information at Cambridge [(ii)] nor may he provide services through Cambridge.”

47. Neither statement was accurate.

48. First, the Former FP was able to access client account information at Cambridge via (i) the data aggregation service through July 12 (four days after the letter), although the information was current as of June 14, (ii) emails regarding trade confirmations and account status

updates for at least 60 days, and (iii) the call center for at least a year.

49. Second, after terminating the Former FP, Cambridge allowed the Former FP to use Cambridge personnel and infrastructure to assist the Former FP with serving his former clients for over a year.

50. In July 2021 – contradicting the First Client Letter – the Former FP, who remained unaffiliated and unregistered, continued to use the Firm’s personnel, infrastructure, and current client information to assist with transactions and/or interactions on behalf of his former clients.

Statements Regarding Reassignment and Outreach Were Also Incorrect

51. Another confusing statement in the First Client Letter was that the Former FP’s former clients had been reassigned to another Branch Office adviser as of the date of the letter.

52. Most client accounts would not, in fact, be reassigned to the New FP until approximately 30 days later on August 11, 2021; and the remaining nine accounts would not be reassigned to the New FP until November 2021.

53. The First Client Letter also incorrectly stated that the New FP assigned to the Former FP’s former clients would contact them.

54. No coordinated introductory outreach ever occurred.

55. And for all but nine of the Former FP’s 146 former clients, no communication with the Branch Office or the New FP ever occurred.

Cambridge’s Actions During the Former FP’s One-Month Suspension by FINRA

56. On July 19, 2021, as a result of the FINRA AWC, the Former FP began his one-month “suspension in all capacities.”

57. Despite being (i) unregistered and (ii) now suspended “in all capacities,” the Former FP was still able to utilize Cambridge personnel and infrastructure to assist the Firm’s clients.

58. On August 11, 2021, the vast majority of the client accounts previously serviced by

the Former FP were reassigned to the New FP, which meant the New FP – in addition to Cambridge – now owed fiduciary duties to the advisory clients.

59. Shortly thereafter, in August 2021, the new FP's name and telephone number began appearing on the first page of the client statements regularly sent to clients by the Firm, next to "The Portfolio at a Glance," and the new FP's name, address and telephone number were on the second page of the client statements, under "Client Service Information."

60. Despite the reassignment of most of the Former FP's former clients' accounts to the New FP, the Former FP continued to utilize the Firm's personnel, infrastructure, and client information to assist with transactions and/or interactions on behalf of former clients.

61. The New FP and others at the Firm were aware of some of these interactions.

62. No restrictions intended to limit the Former FP's activities were placed on the accounts of the Former FP's former clients at that time.

63. Neither the Former FP, his former clients, nor FINRA was contacted at that time by Cambridge about the Former FP's activities.

Respondents Knew of the Former FP's Activities

64. Representatives of the Branch Office were aware of some of the Former FP's activities.

65. As the representative who inherited the Former FP's former clients, the New FP received numerous communications about those accounts, including email trade confirmations as well as alerts from call center representatives when they received inquiries regarding those accounts.

66. In addition to email status updates and trade confirmations, the New FP was informed by his colleagues at least three times in September 2021 of the Former FP's activities.

67. Many other officers and representatives at Cambridge, including those in the Firm's

account supervision, legal, and compliance departments, were also alerted at that time.

68. Cambridge, however, took no action at the time.

Even After Being Officially Alerted, Cambridge Continues to Enable the Former FP

69. In October 2021 – four months after the Former FP’s termination of registration – the New FP reported concerns about the Former FP’s activities directly to Cambridge’s legal department.

70. Although Cambridge had internal discussions regarding the Former FP’s activities, those actions were not sufficient in response to the warning.

71. No restrictions intended to limit the Former FP’s activities were placed on the accounts of the Former FP’s former clients at that time.

72. Neither the Former FP, his former clients, nor FINRA was contacted at that time by Cambridge about the Former FP’s activities.

73. In fact, the Former FP’s access and activity continued unabated for the rest of 2021.

The Unit Files a Complaint Against the Former FP

74. On Dec. 3, 2021, the Unit filed an administrative complaint against the Former FP for misleading statements he made to the Unit in June 2019 when Cambridge sought to register him in Delaware.

75. At this time, six months after the Firm had terminated the registration of the Former FP, a period during which the Respondents and the New FP continued to collect advisory fees, representatives of the Branch Office had still not communicated with 142 of the Former FP’s 146 former clients.

Despite Its Knowledge, Cambridge Continues to Enable the Former FP in 2022

76. On Jan. 11, 2022, counsel for Cambridge sent a cease-and-desist letter to the Former FP (the “C&D Letter”).

77. The C&D Letter was focused on ending the Former FP's use of "the Cambridge name, Cambridge forms, and any other Cambridge proprietary information" on the Former FP's website.

78. It also stated, "Your affiliation with Cambridge ended on June 11, 2021," adding:

Additionally, please be advised that you are under a continuing obligation to comply with state and federal securities rules and regulations governing appropriate sales practices and registration requirements. You must be associated with a broker-dealer and/or registered investment adviser and be properly registered with FINRA and/or the SEC or state before you can engage in any securities business.

79. Although the letter advised the Former FP that he had to be properly registered to engage in the securities business generally, the C&D Letter did not demand that the Former FP cease interacting with Cambridge personnel and infrastructure on behalf of his former clients.

80. In January 2022, representatives from the Branch Office informed the account supervision team at the Firm that four transfers were on hold for paperwork issues related to the Former FP's involvement.

81. That same month, the Firm contacted FINRA regarding the Former FP because a December 2021 fax suggested that he may have been acting in a capacity that required registration even though he was not registered. The Firm provided FINRA with documentation to support its concern.

82. Approximately three months after first alerting the Firm's in-house counsel, the New FP again contacted the Firm's legal department about the Former FP's unregistered activities.

83. Despite these red flags, Cambridge continued to permit the Former FP to assist with transactions and/or interactions on behalf of former clients – interactions about which the New FP and others at the Firm were aware.

The Former FP Confirms His Understanding with a New Firm

84. In February 2022, anticipating the resolution of the Unit’s pending administrative action against him, the Former FP contacted a new firm (the “New Firm”).

85. According to communications with the New Firm’s recruiter, the Former FP planned to transfer all of his former clients’ accounts from Cambridge to the New Firm – and do so with Cambridge’s blessing:

All my clients are still at Cambridge and no one is soliciting them. Thankfully, they have all been very patient throughout this nightmare. Cambridge wants me to move the accounts.

(Emphasis added.)

86. The Former FP’s characterization of the situation was accurate, as representatives of the Branch Office had been in contact with only nine of the Former FP’s 146 former clients at this point.

Cambridge’s Second Late and Insufficient Attempt at Informing the Former FP’s Clients

87. On Feb. 8, 2022, seven months after the Firm sent the First Client Letter to the Former FP’s former clients regarding his separation from the Firm, Cambridge sent a follow-up letter (the “Second Client Letter”) stating: “On or around July 8, 2021, Cambridge sent you a letter informing you that [the Former FP’s] affiliation with Cambridge as a financial professional ended as of June 11, 2021.”

88. The Second Client Letter failed to inform the Former FP’s former clients (i) that it was Cambridge that ended the affiliation or (ii) that the Former FP remained unregistered at the time of the letter.

89. The Second Client Letter did, however, explain “that [the Former FP] may no longer service your accounts at Cambridge, or provide any advice or recommendations on behalf

of Cambridge,” and further stated:

For your protection, federal securities regulations enacted by the U.S. Securities and Exchange Commission (“SEC”) prohibit financial professionals from engaging in any securities business unless they are affiliated with a broker-dealer and/or registered investment adviser and are properly registered with the applicable federal or state governing bodies. You may check the status of [FP’s] affiliation and registration by going to <https://brokercheck.finra.org> and <https://adviserinfo.sec.gov>.

For any accounts you may still have at Cambridge, these accounts will be serviced by a member of [of the Branch Office]. [The Branch Office’s advisors] are the only financial professionals at Cambridge that are properly registered to service your accounts and are subject to the oversight of Cambridge to ensure compliance with securities regulation and industry standards.

Working with a financial professional that is properly registered and supervised by a fully registered and regulated entity, such as Cambridge, is critically important. If you have not engaged with [the Branch Office] for the ongoing servicing of your account(s), we encourage you to do so by contacting them by phone at [phone number] or by email at [email address].

90. In spite of the assurances in the Second Client Letter, Cambridge continued to allow the Former FP to assist with transactions and/or interactions on behalf of former clients in February 2022 – interactions about which the New FP and others at the Firm were aware.

One Year Later: Cambridge Takes Action Regarding the Former FP’s Activities

91. On May 12, 2022, during a call with the Firm, the Unit told the Firm that they had interviewed the Former FP in October 2021 and, during that interview, the Unit told the Former FP that (1) he was not allowed to call into Cambridge with clients regarding their accounts; and (2) if clients had questions or concerns regarding their accounts, he was supposed to refer them to Cambridge. In addition, during the Unit’s call with the Firm, the Unit stated that it had discovered that the Former FP continued to call the Firm with clients. The Firm did not know about the Unit’s October 2021 communications with the Former FP or about what the Unit had discovered until the May 2022 call.

92. A year after terminating the Former FP and seven months after concerns about his

unregistered activities were expressly brought to the attention of management – Cambridge took the following steps intended to limit the Former FP’s ability to engage in unregistered activities involving the Firm’s call center representatives:

- i. On or around May 26, 2022, the Firm added a banner to the Firm’s client relationship management system so that call center associates would see the following: “A client must be on the line with [the FP] to process or accept any instructions to process any items. We cannot take instructions from [the FP] without a client.”
- ii. On or around May 26, 2022, the Firm placed restrictions on the Former FP’s former client accounts in the clearing firm’s systems so that call center associates could not conduct activities for those clients formerly assigned to him unless the clients authorized the removal of the restriction.

93. Despite making things more difficult for the Former FP, these measures were unsuccessful; the Former FP’s involvement in his former clients’ financial affairs at Cambridge continued.

94. On the contrary, in June 2022, Cambridge allowed the Former FP – who was still unregistered – to use the Firm’s personnel and infrastructure to assist with three dozen transactions and/or interactions on behalf of former clients.

The Former FP Moves His Former Clients to a New Firm

95. After the Former FP affiliated with the New Firm, he transferred from Cambridge more than 163 advisory accounts of his former clients to the New Firm.

96. For some of his former clients, the Former FP’s recommendation that they move their assets to the New Firm was the first time they realized the Former FP had separated from the Firm.

97. This confusion was attributable, in part, to the Branch Office's failure to communicate with all but nine of the Former FP's 146 former clients a full year after the Firm had terminated the Former FP.

98. Ultimately, Respondents allowed the Former FP to interact with Cambridge personnel or systems with or on behalf of his former clients more than 150 times between June 2021 and July 2022 in connection with monitoring accounts and assisting with trades and asset transfers.

99. All these transactions and/or interactions occurred (i) after the Firm had terminated the registration of the Former FP and (ii) while the Former FP was unregistered in Delaware. Many occurred after senior officers at the Firm had been alerted to the Former FP's unregistered activity involving Firm personnel and infrastructure.

CONCLUSIONS OF LAW

100. The Director has jurisdiction over this matter pursuant to Section 73-501 of the Delaware Securities Act, 6 *Del. C.* § 73-101, et seq. (the "Act").

101. The Director concludes that, by engaging in the acts and practices described above, and incorporated herein, Respondents have violated the Act as follows:

- i. Cambridge Investment and CIRA failed to establish, maintain, and enforce adequate supervisory procedures reasonably designed to ensure that the First Client Letter did not contain incorrect or confusing statements, in violation of 6 *Del. C.* § 73-304(a)(10);
- ii. Cambridge Investment and CIRA failed to establish, maintain, and enforce adequate supervisory procedures reasonably designed to prevent the Firm's employees from providing client account information regarding multiple accounts to the Former FP several months after he separated from the Firm and while he remained unregistered or unaffiliated with any firm, in violation of 6 *Del. C.* § 73-304(a)(10); and
- iii. Cambridge Investment and CIRA failed to establish, maintain, and enforce adequate supervisory procedures reasonably designed to manage the transition of clients formerly serviced by the Former FP to a new financial professional, in violation of 6 *Del. C.* § 73-304(a)(10).

ORDER

Based on the above Findings of Fact and Conclusions of Law, and the Respondents' consent to the entry of this Order, IT IS HEREBY ORDERED that:

1. This Order concludes the Unit's investigation into the Respondents' activities described in the Findings of Fact.

2. The Unit will refrain from taking any further enforcement action against Respondents based solely on those activities, provided that Respondents fully and timely comply with the terms and conditions of this Order.

3. Respondents are hereby ordered to pay, within fourteen (14) business days of entry of this Order, \$950,000 in penalties to the Unit. The payment shall be made by electronic bank transfer, with payment instructions to be provided to counsel.

4. Respondents are hereby ordered to pay, within fourteen (14) business days of entry of this Order, \$50,000 in costs to the Unit. The payment shall be made by electronic bank transfer, with payment instructions to be provided to counsel.

5. Respondents are hereby ordered to pay, within 120 days of entry of this Order, \$52,465 in restitution directly to the Former FP's former clients, whose advisory accounts were not periodically monitored and rebalanced by a money manager, for all advisory fees paid to Respondents and the New FP in the 12 months following the Former FP's separation from the Firm – and to provide the Director with evidence thereof promptly after payment.

6. Respondents waive any right or ability to seek judicial review with respect to the terms of this Order.

7. This Order and any dispute related thereto shall be construed and enforced in accordance with, and governed by, the laws of Delaware without regard to any choice of law

principles. The exclusive venue for any litigation related to this Order shall be in New Castle County, Delaware.

SO ORDERED this 9th day of October, 2026.

/s/ Jillian Lazar

Jillian Lazar
Director of Investor Protection

CONSENT TO THE ENTRY OF THE ORDER

Respondents hereby acknowledge that they have been served with a copy of this Order, have read the foregoing Order, have reviewed it with counsel, are aware of the right to a hearing in this matter, and have waived the same.

Respondents accept the jurisdiction of the Director and consent to the entry of this Order by the Director as settlement of the issues addressed in this Order.

Respondents state that no promise of any kind or nature whatsoever – outside of this Order – was made to induce them to consent to the entry of this Order and that they have sought advice of counsel and have agreed to the entry of this Order voluntarily.

Dated this 9th day of October, 2026.

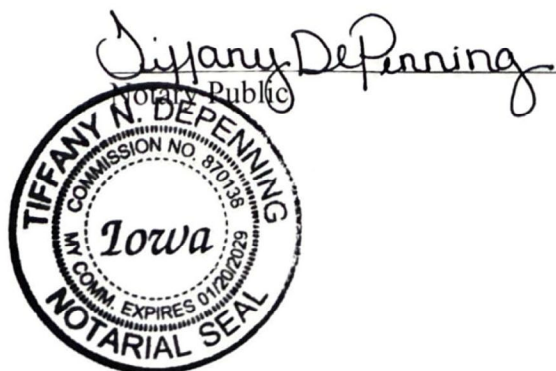
[Signature]

On behalf of Cambridge Investment Research, Inc.

SUBSCRIBED AND SWORN TO before me this 9 day of October, 2026

[Affix seal]

My commission expires: 1/20/29



Dated this 9th day of October, 2026.

[Signature]

On behalf of Cambridge Investment Research
Advisors, Inc.

SUBSCRIBED AND SWORN TO before me this 9 day of October, 2026

[Affix seal]

My commission expires: 1/20/29

Tiffany Depenning
Notary Public

