

STATE OF SOUTH DAKOTA  
DEPARTMENT OF LABOR & REGULATION  
DIVISION OF SECURITIES

IN THE MATTER OF:	)	ORDER TO VACATE
	)	ORDER TO SHOW CAUSE
STANDARD LIFE INVESTMENTS	)	WHY REGISTRATION
SECURITIES, LLC	)	SHOULD NOT BE REVOKED
CRD# 157233	)	
	)	

---

TO: Eric Rose  
CCO  
Standard Life Investments Securities, LLC  
One Beacon St., 34<sup>th</sup> Floor  
Boston, MA 02108

The Director of the Division of Securities, Mr. Larry Deiter, has determined the following:

1. That Standard Life Investments Securities, LLC has a last known address of One Beacon St., 34<sup>th</sup> Floor, Boston, MA 02108.
2. That pursuant to SDCL 47-31B-401 and 47-31B-402, it is unlawful for any person to transact business in South Dakota as a broker-dealer or agent unless the person is registered under chapter 47-31B.
3. That on July 21, 2016, Standard Life Investments Securities, LLC filed for registration as a broker-dealer in South Dakota.
4. That pursuant to Rule 20:08:03:01(2)(B)(i), every registered broker-dealer must employ at its principal office and at each office of supervisory jurisdiction (OSJ) in South Dakota, at least one person designated to act in a supervisory capacity, who is registered as an agent in this state and has satisfied the supervisory examination requirements of FINRA. For any other office in South Dakota, not designated as an OSJ, a supervisor must be designated to supervise the office; however, the supervisor need not be located in this state.
5. That as of August 30, 2016, Standard Life Investments Securities, LLC did not employ at least one person designated to act in a supervisory capacity who was registered as an agent in South Dakota.
6. That in a memorandum dated July 22, 2016, the Division informed Standard Life Investments Securities, LLC that it was in violation of Rule 20:08:03:01(2)(B)(i). The letter further requested that if Standard Life Investments Securities, LLC had an

agent registered in South Dakota, to send a letter to the Division indicating the agent's name and CRD number.

7. That the Division did not receive a response to the July 22, 2016 memorandum nor did Standard Life Investments Securities, LLC register an agent to act in a supervisory capacity in South Dakota.
8. That the Division sent another memorandum, dated August 23, 2016, informing Standard Life Investments Securities, LLC that it was in violation of Rule 20:08:03:01(2)(B)(i) by not having a supervisory agent registered in South Dakota.
9. That as of August 31, 2016, Standard Life Investments Securities, LLC had not responded nor registered an agent in compliance with Rule 20:08:03:01(2)(B)(i).
10. That Rule 20:08:03:01(2)(B)(i) further states that failure to abide by this Rule for more than thirty (30) days will result in the revocation of the registered broker-dealer until such time as there is compliance with this rule.
11. That pursuant to SDCL 47-31B-602, the Division can require a broker dealer to file a statement or respond to an inquiry from the Division.
12. That pursuant to SDCL 47-31B-412(a) and (b), the Director may by order deny, suspend or revoke any registration if he finds that the order is in the public interest and that the registrant has willfully violated or willfully failed to comply with any provisions of chapter 47-31B or a predecessor act or any rule or order under chapter 47-31B or a predecessor act.
13. That sufficient grounds existed for the issuance of an Order to Show Cause Why Registration Should Not Be Revoked. The Division issued the Order to Show Cause on August 31, 2016 and fined Standard Life Investments, LLC \$500 for failure to respond to the Division's initial letter.
14. That SDCL 47-31B-604 permits the Division to impose a civil penalty of up to \$10,000 per violation of Chapter 47-31B.
15. That on September 16, 2016, Standard Life Investments, LLC registered John Boyce, CRD# 1625970, in South Dakota.
16. That on September 22, 2016, Standard Life Investments, LLC registered two additional individuals in South Dakota.
17. That pursuant to SDCL 47-31B-402, it is unlawful for an individual to transact business in this state as an agent unless the individual is registered under chapter 47-31B as an agent or is exempt from registration.
18. That pursuant to ARSD 20:08:03:01(3)(A)(iii), an out-of-state agent must be registered or exempt from registration in the agent's home state as a precondition of


being considered for registration in South Dakota. The burden of proof for claiming an exemption is on the agent.

19. That Mr. Boyce applied for registration in South Dakota as a broker-dealer agent on September 16, 2016. Because Mr. Boyce did not have any disclosures, his registration in South Dakota was automatically approved by the CRD system.
20. That Mr. Boyce's registration has been deficient in his home state of Connecticut since September 16, 2016.
21. That pursuant to SDCL 47-31B-602(a)(1), the Director may conduct public or private investigations within or outside of this state which the director considers necessary or appropriate to determine whether a person has violated, is violating, or is about to violate chapter 47-31B, or to aid in the enforcement of the chapter or in the adoption of rules and forms under this chapter.
22. That on September 21, 2016, the Division sent an email to Standard Life Investments, LLC stating that Mr. Boyce needed to be registered in his home state. The email was sent via read receipt and was received and read on September 21, 2016.
23. That the Division did not receive a response to the September 21, 2016 email.
24. That on October 11, 2016 the Division contacted Standard Life Investments, LLC and stated that Mr. Boyce needed to be registered in his home state.
25. That on October 17, 2016 the Division received a voice message from Standard Life Investments, LLC, indicating that they wished to discuss this matter.
26. That the Division called Standard Life Investments, LLC and left voice messages on October 17, October 18, October 19, October 24 and November 1, 2016 stating that Mr. Boyce was deficient in his home state and needed to withdraw his registration in South Dakota.
27. That the Division called Standard Life Investments, LLC on November 2, 2016 and spoke with an individual at the firm. The Division was told that the firm was working on the matter and hoped to have Mr. Boyce registered in his home state in a few days.
28. That as of November 14, 2016, Mr. Boyce had neither withdrawn his registration in South Dakota nor become registered in his home state of Connecticut.
29. That on November 14, 2016 the Division called Standard Life Investments, LLC and left a voice message stating that the Division would issue an order against Mr. Boyce if his registration was not withdrawn in South Dakota.
30. That as of November 29, 2016, Mr. Boyce has neither withdrawn his registration in South Dakota nor become registered in his home state of Connecticut.

31. That pursuant to SDCL 47-31B-412(b), the Director may revoke the registration of any applicant if he finds that the agent has willfully failed to comply with any provision of SDCL chapter 47-31B or a predecessor act or any rule or order under chapter 47-31B.
32. That the Director has reasonable grounds pursuant to SDCL 47-31B-412(b) to revoke the registration of Standard Life Investments, LLC for the firm's willful failure to comply with the Division's request for further information.
33. That pursuant to SDCL 47-31B-605(b) the Director may amend an order if the amendment is necessary or appropriate in the public interest or for the protection of investors and is consistent with the purposes intended by this chapter.
34. That the August 31, 2016 Order to Show Cause was amended by an Order to Show Cause dated November 29, 2016.
35. That sufficient grounds existed for the issuance of an Order to Show Cause Why Registration Should Not Be Revoked.
36. That the Division issued an Order to Show Cause on November 29, 2016.
37. That since the Order to Show Cause was issued, all issues between Standard Life Investments, LLC and the Division have been resolved.
38. That pursuant to SDCL 47-31B-605(b) the Director may amend an order if the amendment is necessary or appropriate in the public interest or for the protection of investors and is consistent with the purposes intended by this chapter.

NOW THEREFORE, IT IS HEREBY ORDERED, pursuant to South Dakota codified Laws, Section 47-31B-605(b) that the Division's November 29, 2016 Order to Show Cause is hereby vacated. The following Order is necessary and appropriate in the public interest and for the protection of investors and is consistent with the purpose fairly intended by the policy and provisions of SDCL 47-31B.

Dated this 1<sup>st</sup> day of March, 2017.

  
Mr. Larry Deiter  
Director  
Division of Securities  
124 S. Euclid Ave.  
Pierre, SD 57501