

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

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3 IN THE MATTER OF DETERMINING) Order No.: S-17-2244-17-CO01
4 Whether there has been a violation of the)
5 Securities Act of Washington by:) CONSENT ORDER
6 Lisa Peake;)
7 Respondent.)

INTRODUCTION

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10 On November 17, 2017, the Securities Administrator of the Securities Division of the Department of
11 Financial Institutions ("Securities Division") issued a Statement of Charges and Notice of Intent to Enter
12 Order to Cease and Desist, to Impose Fines, and to Charge Costs ("Statement of Charges"), Order Number S-
13 17-2244-17-SC01, against Respondent Lisa Peake. Pursuant to the Securities Act of Washington, RCW
14 21.20, the Securities Division and Respondent Lisa Peake hereby enter into this Consent Order in settlement
15 of the matters set forth in the Statement of Charges and as alleged below. Respondent Lisa Peake neither
16 admits, nor denies the Findings of Fact and Conclusions of Law as stated below.

FINDINGS OF FACT

Respondent

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20 1. Lisa Peake ("Peake") is a resident of Vancouver, Washington and a former registered
21 investment adviser representative and securities salesperson with various financial firms in the Vancouver
22 area. Peake's Central Registration Depository ("CRD") number is 1606662.
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Related Parties

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2 2. Edward D. Jones & Co., L.P. (“Edward Jones”) is a registered investment adviser and
3 broker-dealer (CRD #250). Peake worked for Edward Jones as a registered investment adviser
4 representative and securities salesperson from July 2006 to December 2016.

5 3. Jeffrey Lukowiak (“Lukowiak”) is a registered investment adviser representative and
6 securities salesperson in the Vancouver area (CRD #6254127). Lukowiak has worked for Lincoln Financial
7 Advisors Corporation (“Lincoln Financial”) since December 2015, and previously worked for Edward Jones
8 from October 2013 to December 2015.

9 4. Shena Frentsos (“Frentsos”) is a registered investment adviser representative and securities
10 salesperson in the Vancouver area (CRD #3211903). Frentsos has worked for Lincoln Financial since May
11 2016, and previously worked for Edward Jones from November 2005 to May 2016. Frentsos and Lukowiak
12 work together at the same Vancouver branch of Lincoln Financial.

Nature of the Violation

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15 5. Pursuant to Regulation S-P, a federal regulation governing the protection of customer
16 information by financial firms, Edward Jones established a privacy policy and regularly provided the policy
17 to clients. Since at least April 2016, Edward Jones’ privacy policy has provided that customer information
18 will not be provided for marketing purposes to companies not affiliated with the firm.

19 6. Peake has worked in the financial industry since May 1987, and in the Vancouver-Portland
20 area since April 1990. As mentioned above, Peake most recently worked with Edward Jones from December
21 2006 to August 2016. In August 2016, Edward Jones terminated Peake for violating several of the firm’s
22 policies, including taking trading instructions by email, instructing a client not to date a form so that Peake
23 could time the market, and providing her assistant with a script for a sales conversation which the assistant
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1 was not licensed to conduct. Peake has not been employed at another financial firm since her termination from
2 Edward Jones.

3 7. In early 2017, Peake entered negotiations with Lukowiak and Frentsos to become a “practice
4 manager” for their Lincoln Financial branch. Peake reached an agreement with Lukowiak and Frentsos on
5 February 24, 2017, at which point Lukowiak and Frentsos paid her a \$7,000 signing bonus.

6 8. On March 6, 2017, before beginning to work with Lukowiak and Frentsos, Peake decided not
7 to accept the practice manager position. Instead of accepting the position, she offered to sell Lukowiak and
8 Frentsos a list of her clients at her former firms. Lukowiak and Frentsos agreed to buy the client list, in part
9 because they believed that Peake might sell the list to other financial firms in the Vancouver area. Lukowiak
10 and Frentsos agreed to convert Peake’s signing bonus into a payment for the client list, rather than having
11 Peake return the \$7,000 which they had already paid to her.

12 9. Peake delivered a copy of her client list to Lukowiak and Frentsos on March 17, 2017. Peake’s
13 list contained the names of several hundred clients, including over fifty advisory clients. In most cases, the
14 list also included the client’s address and phone number, including in many cases their home, work, and cell
15 phone numbers. For some clients, the list also included information which would not have been publicly
16 available, such as the fact that a married couple maintained separate finances, the fact that a family member
17 managed the finances for a client, or the type of retirement account which the client held. Peake did not contact
18 either her former clients or Edward Jones to inform them that she would be selling their information, or obtain
19 permission to do so.
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22 Based upon the above Findings of Fact, the following Conclusions of Law are made:
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CONCLUSIONS OF LAW

1. Under Regulation S-P, 17 C.F.R. 248, investment advisers and broker-dealers, including Edward Jones, are required to establish policies and procedures to safeguard customer information, and to notify customers about how their information will be used, including whether and how their information will be disclosed to persons outside the firm. At all times relevant to this action, Edward Jones' privacy policies provided that customer information would not be disclosed for marketing purposes to non-affiliates of the firm.

2. Lisa Peake engaged in dishonest or unethical practices in the securities business, as defined by WAC 460-24A-220(14), by disclosing the identities and personal information of her former advisory clients without the consent of the clients and without being required by law to do so, and by violating Edward Jones' representations to customers about the circumstances under which their information would be disclosed.

Based upon the foregoing and finding it in the public interest:

CONSENT ORDER

IT IS AGREED AND ORDERED that Respondent Lisa Peake shall cease and desist from violating WAC 460-24A-220(14), the dishonest and unethical practices section of Washington's investment adviser regulations.

IT IS FURTHER AGREED AND ORDERED that Respondent Lisa Peake shall be liable for and shall pay a fine of \$6,000 prior to the entry of this Consent Order.

IT IS FURTHER AGREED AND ORDERED that Respondent Lisa Peake shall be liable for and shall pay investigative costs of \$1,000 on or before entry of this Consent Order.

IT IS FURTHER AGREED AND ORDERED that any future application to the Securities Division for a securities salesperson or investment adviser representative registration of Respondent Lisa Peake shall be denied for a period of 30 days.

1 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

2 IT IS FURTHER AGREED that Respondent Lisa Peake enters into this Consent Order freely and
3 voluntarily and with a full understanding of its terms and significance.

4 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Lisa Peake waives her
5 right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

6 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

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21 Signed this 12th day of December, 2017.

22 Signed by:

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24 /s _____
25 Lisa Peake

1 SIGNED and ENTERED this 3rd day of January, 2018.

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5 William M. Beatty
6 Securities Administrator



10 Approved by:

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12 Suzanne Sarason
13 Chief of Enforcement

14 Presented by:

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16 Adam N. Yeaton
17 Financial Legal Examiner

18 Reviewed by:

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20 Jack McClellan
21 Financial Legal Examiner Supervisor