

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING ) Order No.: S-17-2244-17-SC01  
Whether there has been a violation of the )  
Securities Act of Washington by: ) STATEMENT OF CHARGES AND NOTICE OF INTENT  
Lisa Peake, ) TO ENTER ORDER TO CEASE AND DESIST, DENY  
Respondent. ) SALESPERSON REGISTRATION, IMPOSE FINES, AND  
) CHARGE COSTS  
)

THE STATE OF WASHINGTON TO: Lisa Peake, CRD #1606662

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent Lisa Peake has violated the Securities Act of Washington. The Securities Administrator believes those violations justify the denial of any application for securities salesperson registration by Lisa Peake pursuant to RCW 21.20.110(1), and the entry of an order against Respondent to cease and desist from such violations pursuant to RCW 21.20.390; to recover costs pursuant to RCW 21.20.390; and to impose fines pursuant to RCW 21.20.395. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondent

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

Related Parties

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

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

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

5 Nature of the Violation

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

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

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

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

25 9. Peake delivered a copy of her client list to Lukowiak and Frentsos on March 17, 2017. Peake's list  
26 contained the names of several hundred clients, including over fifty advisory clients. In most cases, the list also included  
27 the client's address and phone number, including in many cases their home, work, and cell phone numbers. For some  
28 clients, the list also included information which would not have been publicly available, such as the fact that a married  
29 couple maintained separate finances, the fact that a family member managed the finances for a client, or the type of  
30 retirement account which the client held. Peake did not contact either her former clients or Edward Jones to inform them  
31 that she would be selling their information, or obtain permission to do so.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

## CONCLUSIONS OF LAW

### I.

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.

### II.

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.

## NOTICE OF INTENT TO DENY FUTURE REGISTRATION

Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and Conclusion of Law, the Securities Administrator intends to order that any future application for securities salesperson or investment adviser representative registration of Respondent Lisa Peake be denied for a period of 30 days.

## NOTICE OF INTENT TO IMPOSE FINES

Pursuant to RCW 21.20.110(1) and RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusion of Law, the Securities Administrator intends to order that Respondent Lisa Peake shall be liable for and pay a fine of \$7,000.

## NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.110(7) and RCW 21.20.390, and based upon the above Tentative Findings of Fact and Conclusion of Law, the Securities Administrator intends to order that Respondent Lisa Peake shall be liable for and shall pay the costs, fees, and other expenses incurred in the administrative investigation, in an amount not less than \$1,000.

**NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

Pursuant to RCW 21.20.390(1) and based upon the above Tentative Findings of Fact and Conclusion of Law, the Securities Administrator intends to order that Lisa Peake shall cease and desist from violations of WAC 460-24A-220(14).

**AUTHORITY AND PROCEDURE**

This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the provisions of Chapter 34.05 RCW. The respondent, Lisa Peake, may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. If the respondent does not make a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusion of Law as final and to enter a permanent order to cease and desist, to impose any fines sought against the respondent, to charge any costs sought against the respondent, and to deny any future registrations of the respondent for a period of 30 days.

Signed and Entered this 16th day of November, 2017.



Approved by:

*Suzanne Sarason*

Suzanne Sarason  
Chief of Enforcement

*William M. Beatty*

William M. Beatty  
Securities Administrator

Presented by:

*Adam N. Yeaton*

Adam N. Yeaton  
Financial Legal Examiner

Reviewed by:

*Jack McClellan*

Jack McClellan  
Financial Legal Examiner Supervisor