



NOW THEREFORE, the parties so stipulate, and the Commissioner makes findings and conclusions as follows:

**FINDINGS OF FACT**

1. CUSO Financial Services, LP (“CUSO”) is a full-service Broker Dealer and an SEC registered Investment Adviser with headquarters at 10455 Sorrento Valley RD, STE 21, San Diego, CA 92121. CUSO provides investment services through a network of credit unions and registered representatives.

2. Gregory Lambesis (“Respondent”) is a broker and investment adviser representative registered with CUSO and operating at North Country Federal Credit Union (“NCFCU”), 69 Swift Street, Suite 100, South Burlington VT 05403. Respondent is an independent contractor so he is neither an employee of CUSO nor NCFCU.

3. Respondent recommended certain transactions to an individual (“Investor”) but did not properly communicate the capital gains implications, resulting in capital gains distributions in excess of the investor’s expectations.

4. Investor lodged a complaint in an email sent to Respondent, who failed to report the complaint to CUSO, although he reported the complaint to CUSO’s Program Manager at NCFCU (an NCFCU employee).

5. After receiving the complaint, Respondent continued to correspond with Investor via a North Country Federal Credit Union email account instead of his CUSO email account. CUSO did not monitor or retain the messages sent or received on the NCFCU account.

6. Investor filed a complaint with the Department, causing the Department to make inquiries to CUSO, thereby alerting CUSO of the complaint.

7. CUSO's response to the Department's inquiries described the actions CUSO took upon learning of the complaint, including issuing a Letter of Caution to Respondent outlining violations of firm policy, FINRA Rules, and SEC Rules resulting from his conduct.

8. Full restitution was made to Investor, the cost of which was shared by NCFCU and Respondent.

### CONCLUSIONS OF LAW

9. Respondent violated 9 V.S.A. § 5412(d)(13) by corresponding with Investor via an unapproved email account.

10. Respondent violated 9 V.S.A. § 5412(d)(13) by failing to inform CUSO of Investor's complaint.

11. Under 9 V.S.A. § 5604, after determining that a person has engaged in an act that constitutes a violation of the Securities Act, the Commissioner may, among other things, issue a final order directing the person to take corrective action as necessary or appropriate and to pay a civil penalty.

12. Pursuant to 9 V.S.A. § 5604, the Commissioner issues the following Consent Order.

### CONSENT ORDER

NOW, THEREFORE, based on Respondent's stipulation, and on the basis of the Findings of Fact and Conclusions of Law, the Commissioner issues the following Order, to be fully complied with following receipt by the Commissioner of the duly executed Consent to Entry of Administrative Order:

13. Respondent shall comply with CUSO's Written Supervisory Procedures ("WSPs"). Any violation of CUSO's WSPs shall constitute a violation of this Order.

14. Respondent shall be subject to heightened supervision for a minimum period of eighteen months. Respondent shall abide by the terms of heightened supervision which are contained in the Heightened Supervision Agreement attached as an addendum to this Order and incorporated by reference. The Heightened Supervision Agreement shall be executed by CUSO, Respondent, and the individual approved to supervise Respondent.

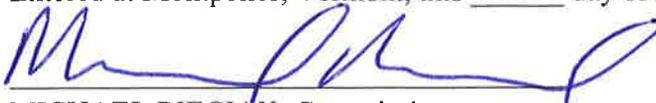
15. Respondent shall pay an administrative penalty of \$12,500.00. Respondent shall pay \$3500.00 by September 1, 2016. Respondent shall then pay \$1000.00 per month beginning October 1, 2016 and ending on June 1, 2017 to satisfy the remaining balance of \$9,000.00.

16. Upon payment of the administrative penalty by Respondent in accordance with the terms of this Order, this Stipulation and Consent Order will be deemed to have documented the resolution of all matters arising from the Department's above-referenced investigation and will not be a basis for action against Respondent by the Department arising out of these same events in regards to the business of securities except in determining any action or penalty that may be imposed by the Department for any future violations of law by Respondent. The Order shall remain in effect throughout the period of heightened supervision.

This ORDER shall become effective immediately upon the date set forth below.

**BY ORDER OF THE COMMISSIONER**

Entered at Montpelier, Vermont, this 26<sup>th</sup> day of September, 2016.



MICHAEL PIECIAK, Commissioner  
Vermont Department of Financial Regulation

**CONSENT BY GREGORY LAMBESIS TO THE ENTRY OF AN ORDER BY THE COMMISSIONER IMPOSING TERMS, CONDITIONS AND UNDERTAKINGS UNDER THE VERMONT UNIFORM SECURITIES ACT**

1. Gregory Lambesis (“Respondent”) hereby admits the jurisdiction of the Commissioner over the subject matter of this proceeding, and solely with respect to this matter, knowingly and voluntarily waives any and all rights to a hearing before the Commissioner or his designee and all other procedures otherwise available under the Vermont Uniform Securities Act (“VUSA”), Title 9, Chapter 150 of the Vermont Statutes Annotated, and any successor act, or the rules, regulations, and orders of the Commissioner. Respondent also waives compliance with the provisions of 3 V.S.A., Chapter 25 regarding contested cases. Respondent acknowledges that this Consent Order constitutes a valid order duly rendered by the Commissioner, and agrees to be fully bound by it.

2. Respondent voluntarily and knowingly waives any rights he may have to judicial review by any court by way of suit, appeal, or extraordinary remedy resulting from the issuance of the Consent Order.

3. Respondent acknowledges and agrees that the Consent Order is entered into freely and voluntarily and that no promise was made, nor was any coercion used, to induce the Respondent to enter into the Consent Order.

4. Respondent acknowledges his understanding of all terms, conditions, and obligations contained in the Consent Order and further acknowledges that should he fail to comply with any and all provisions of the Consent Order, the Commissioner may impose additional sanctions and seek other appropriate relief subject to the Respondent’s right to a hearing pursuant to the VUSA and any successor Act.

**CONSENTED AND AGREED TO:**

  
**Gregory Lambesis**

By: Laura Benest Dated this 25 day of August, 2016.

STATE OF Vermont ) SS  
COUNTY OF Chittenden

On the 25 day of August, 2016, personally appeared **Gregory Lambesis** being the signer of the foregoing Stipulation and Consent Agreement and acknowledged the same to be his free act and deed.

Before me, Laura Benest  
Notary Public

My commission expires 02/10/2019

## HEIGHTENED SUPERVISION AGREEMENT

This is an addendum to the Stipulation and Consent Order between Gregory Lambesis, and the Vermont Department of Financial Regulation.

This Agreement specifies the terms of CUSO's heightened supervision of Gregory Lambesis, which is a condition of the Stipulation and Consent Order ("Order") dated the 26<sup>th</sup> September day of ~~August~~, 2016 and entered into by Gregory Lambesis and the Vermont Department of Financial Regulation ("Department"). This Agreement requires that CUSO Financial Services, LP ("CUSO") and an assigned individual ("Supervisor") supervise Gregory Lambesis for a minimum period of eighteen (18) months. CUSO is responsible for assigning an individual as supervisor to Mr. Lambesis. The Supervisor is a party to this Agreement to the extent that he agrees to perform the assigned duties described in the Agreement.

As a condition of the Order, CUSO Financial Services, LP ("Firm") and Gregory Lambesis ("Agent") agree to the following terms of heightened supervision:

1. Agent shall not act in a supervisory capacity with respect to any other registered representative.
2. Agent shall receive strict supervision as an agent by **Reed Johnson, CRD Number 1833316**, who shall accept such supervisory responsibilities by signing this agreement.
3. In the event that **Reed Johnson** or any other person approved by the Vermont Securities Division ("the Division") to supervise Agent is, for any reason, no longer responsible for Agent's supervision, the Firm will submit the name and CRD number of another person to supervise Agent for the Division's approval at least (2) weeks in advance of the change when possible. If such appointment is not approved by the Division, the firm will submit the name of another person for the Division's approval or withdraw Agent's registration in this state.
4. Agent shall not exercise any discretionary authority in a customer account.

5. All new account forms or changes in investment goals by any of Agent's Vermont clients shall be approved by Supervisor.

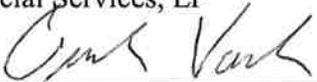
6. CUSO will be responsible for notifying the Division of any new or updated customer complaint, civil or criminal action, regulatory action, arbitration or investigation instituted against Agent within 15 business days of the occurrence.

7. CUSO will conduct a monthly review of Agent's securities activity as it pertains to his Vermont clients. Such review shall be memorialized by a memo as to the nature of the review undertaken and any problems notes. The review reports will be maintained by the firm.

8. CUSO will submit evidence of the above reviews to the Division on a quarterly basis.

9. CUSO may petition the Division, in writing, to have some or all of the conditions modified or removed after the expiration of the minimum eighteen-month supervisory period. Determination as to whether the agreement will be lifted shall be solely at the discretion of the Vermont Securities Division.

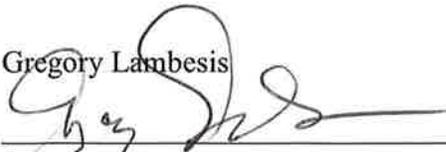
CUSO Financial Services, LP

By: 

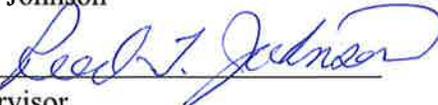
Print Name: PETER VONK

Title: EVP / CLO

Date 9-20-16

Gregory Lambesis  
  
Agent

Date 8/23/16

Reed Johnson  
  
Supervisor

Date 9/21/2016