

Certified Mail
8.30.17

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF STATE
BUREAU OF SECURITIES REGULATION**

IN THE MATTER OF:)
)
Alternative Asset Management) ORDER TO CEASE AND DESIST,
Securities, LLC, CRD # 135131 &) ORDER OF DENIAL
Victor Park, CRD # 1928226)
)
Respondent s) INV2017-0006
)
)

NOTICE OF ORDER

This Order commences an adjudicative proceeding under the provisions of
RSA 421-B:6-613.

LEGAL AUTHORITY AND JURISDICTION

Pursuant to RSA 421-B:6-604(a), the Secretary of State has the authority to issue and
cause to be served an order requiring any person appearing to him to be engaged or about to
be engaged in any act or practice constituting a violation of RSA 421-B or any rule or order
thereunder, to cease and desist from violations of RSA 421-B.

Pursuant to RSA 421-B:5-508, any person who willfully violates a cease and desist
order issued pursuant to RSA 421-B:6-603 or RSA 421-B:604, or who violates RSA 421-B:5-
505 knowing that the statement was false or misleading in any material respect, shall be guilty
of a class B felony.

Pursuant to RSA 421-B:6-604(d), any person who, either knowingly or negligently
violates any provisions of this chapter may, upon hearing, and in addition to any other penalty

provided for by law, be subject to such suspension, revocation or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation.

Pursuant to RAS 421-B:4-412(a), if the secretary of state finds that the order is in the public interest and subsection (d) authorizes the action, an order issued under this chapter may deny an application , or may condition or limit registration (1) of an applicant to be a broker-dealer. A person may be disciplined under subsection (a) if the person has willfully violated or failed to comply with any provision of this title or a predecessor law.

Pursuant to RSA 421-B:6-604(g), the Secretary of State may charge the actual cost of an investigation or proceeding for a violation of this chapter or an order issued under this chapter.

NOTICE OF RIGHT TO REQUEST A HEARING

Under the provisions of RSA 421-B:6-604, the above named respondents have the right to request a hearing on this order to cease and desist.

Any such request for a hearing shall be in writing, shall be signed by the respondents, or by the duly authorized agent of the above named respondents, and shall be delivered either by hand or certified mail, return receipt requested, to the Bureau of Securities Regulation, Department of State, 25 Capitol Street, Concord, New Hampshire 03301.

Under the provisions of RSA 421-B: 6-604(b), within 15 days after receipt of a request in a record from the respondents, the matter will be scheduled for a hearing. If the respondents subject to this order do not request a hearing and none is ordered by the secretary of state

within 30 days after the date of service of the order, the order becomes final as to those respondents. If a hearing is requested or ordered, the secretary of state, after notice of and opportunity for hearing to each respondent subject to the order, may modify or vacate the order or extend it until final determination. If the respondents to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, such respondents shall be deemed in default, and the proceeding may be determined against him or her upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

STATEMENT OF ALLEGATIONS

The allegations contained in the Staff Petition for Relief dated August 28, 2017, (a copy of which is attached hereto) are incorporated by reference hereto.

ORDER

WHEREAS, finding it necessary and appropriate and in the public interest, and for the protection of investors and consistent with the intent and purposes of the New Hampshire securities laws, and

WHEREAS, finding that the allegations contained in the Staff Petition, if proved true and correct, form the legal basis of the relief requested, therefore:

It is hereby **ORDERED**, that:

1. Respondents are hereby ordered to immediately cease and desist from the above indicated acts and from in any other way violating RSA 421-B.

2. Respondents shall jointly and severally pay an administrative penalty of \$5,000.
3. Respondents application for broker-dealer licensure is denied.
4. Failure to request a hearing within 30 days of the date of receipt of this Order shall result in a default judgment being rendered and administrative penalties and other relief described herein being imposed upon the defaulting respondents.

SIGNED,
WILLIAM M. GARDNER
SECRETARY OF STATE
BY HIS DESIGNEE:

Dated: 8-30-17


BARRY J. GLENNON, DIRECTOR,
BUREAU OF SECURITIES REGULATION

STATE OF NEW HAMPSHIRE
BUREAU OF SECURITIES REGULATION
DEPARTMENT OF STATE
25 CAPITOL STREET
CONCORD, NH 03301

STAFF PETITION FOR RELIEF
IN THE MATTER OF:

Alternative Asset Management Securities, LLC, CRD #135131
Victor W. Park, CRD #1928226
INV2017-0006

STATEMENT OF ALLEGATIONS

I. The staff of the Bureau of Securities Regulation, Department of State, State of New Hampshire (hereinafter referred to as the "Bureau") alleges the following issues of fact:

1. Alternative Asset Management Securities, LLC, (hereinafter referred to as "AAMS") is a broker-dealer firm with an address on record with the Bureau of 260 West 36th Street, Ste 502, NY, NY 10018. AAMS is engaged in the business of buying and selling securities for the accounts of others. AAMS is registered with the Securities and Exchange Commission ("SEC"), is a member of the Financial Industry Regulatory Authority ("FINRA"), and many of its broker-dealer records are kept on the FINRA Central Registry Depository system ("CRD"). AAMS's CRD number is 135131. Victor W. Park, (herein after "Park") CRD#1928226 is the CEO, CCO and Managing Member.
2. According to CRD records, AAMS applied for a broker-dealer license in New Hampshire 12/15/2016, but their license status is marked pending approval. Bureau records show no current broker-dealer license.
3. On or about 11/23/2016, AAMS sold limited partnership interests of K5 Equities Real Estate Fund, I, to one New Hampshire investor in a Regulation D, Rule 506 offering, however, AAMS failed to become a licensed broker-dealer in the State of New Hampshire. On 6/22/2017, the Bureau sent a demand letter via certified letter asking AAMS to respond to the allegations contained herein, however, the letter went unclaimed. See Exhibit 1.

II. The staff of the Bureau of Securities Regulation, Department of State, State of New Hampshire alleges the following violations of law:

1. AAMS is a person within the definition of RSA 421-B:1-102(39)
2. AAMS is a broker-dealer within the meaning of RSA 421-B:1-102(6).
3. K5 Equities Real Estate Fund I, L.P. is a security as defined by RSA 421-B:1-102(53)(A).

4. Pursuant to RSA 421-B:4-401(a) it is unlawful for a person to transact business in this state as a broker-dealer unless the person is registered under this chapter as a broker-dealer. AAMS violated this section.
5. Pursuant to RSA 421-B:4-412(a), if the secretary of state finds that the order is in the public interest and subsection (d) authorizes the action, an order issued under this chapter may deny an application, or may condition or limit registration (1) of an applicant to be a broker-dealer. A person may be disciplined under subsection (a) if the person has willfully violated or failed to comply with any provision of this title or a predecessor law. AAMS has violated this section for selling securities in New Hampshire without a license prohibited by RSA 421-B:4-401.
6. Pursuant to RSA 421-B:4-412(c), if the secretary of state finds that the order is in the public interest and subsection (d) authorizes the action, an order issued under this chapter may impose a bar, or impose a civil penalty in an amount not to exceed a maximum of \$2,500 for each violation on a registrant and if the registrant is a broker-dealer, any officer or director or any person directly or indirectly controlling the broker-dealer. A person may be disciplined under subsection (c) if the person willfully violated or failed to comply with any provision of this title or a predecessor law. AAMS and Park have violated this section for selling securities in New Hampshire without a license under RSA 421-B:4-401,
7. Pursuant to RSA 421-B:6-604(a)(1), whenever it appears to the secretary of state that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule under this chapter, he shall have the power to issue and cause to be served upon such person an order requiring the person to cease and desist from violations of this chapter. AAMS and Park are subject to this section for violations of RSA 421-B:4-401 and RSA 421-B:4-412.
8. Pursuant to RSA 421-B:6-604(d) any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation. AAMS and Park are subject to this section for selling securities in New Hampshire without a license.

RELIEF REQUESTED

The staff of the Bureau of Securities Regulation requests the Director take the following action:

1. Find as fact the allegations contained in section I of the Statement of Allegations of

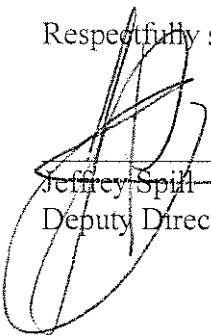
this petition.

2. Make conclusions of law as stated in section II relative to the allegations contained in section I of this petition.
3. Find it in the public interest to deny the license application of AAMS or bar AAMS from licensure and issue an order to deny or bar the broker-dealer application of AAMS in accordance with RSA 421-B:4-412(a) and (c).
4. Order Respondents to pay administrative penalties of \$5,000 jointly and severally for violations of RSA 421-B:4-401 and 412.
5. Order Respondents to cease and desist in accordance with RSA 421-B:6-604.
6. Take such other actions as necessary for the protection of New Hampshire investors and enforcement of the Act.

RIGHT TO AMEND

The Bureau's Staff reserves the right to amend this Petition for Relief and to request that the Director of Securities take additional administrative action. Nothing herein shall preclude the Staff from bringing additional enforcement action under this NH RSA 421-B or the regulations there under.

Respectfully submitted by:



Jeffrey Spill
Deputy Director

August 28, 2017