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## **BUREAU SETTLES WITH LPL FINANCIAL**

**CONCORD, NH (August 4, 2020) -**

The New Hampshire Bureau of Securities Regulation announced today that it has partially settled its enforcement matter related to Dain F. Stokes who solicited former clients of his to invest in what turned out to be a fraudulent scheme that he described as a charity project in Africa. Last fall, after obtaining a preliminary injunction against Mr. Stokes and suspending his license, the Bureau separately investigated his then-employer, LPL Financial LLC, for failing to supervise. At the same time, Mr. Stokes was terminated by LPL Financial LLC, effectively shutting down his Bedford, New Hampshire office. The Securities and Exchange Commission has since barred Mr. Stokes from the financial industry.

In reaching its settlement with LPL Financial LLC, the Bureau was able to return \$576,000 to the two former clients who Mr. Stokes defrauded by soliciting investments to a sham African charity project involving notable celebrities. In addition to returning \$576,000, LPL Financial LLC will make offers to twenty-one former clients of Mr. Stokes to buy back sales of unsuitable variable annuities he sold to his clients. LPL Financial LLC also agreed to pay a fine of \$275,000, the Bureau's costs of \$75,000, and agreed to disgorge fees earned totaling \$75,000, for a total penalty to the Bureau of \$400,000. The Bureau's matter against Mr. Stokes is still pending.

“While the Bureau is satisfied with this result in making his victims whole, our matter against Mr. Stokes remains pending. The Bureau reminds the public to be wary of investment opportunities that are offered outside of the financial advisor's employer, as most firms prohibit these investments. In this case, the outside investment opportunity

turned out to be a fraud, harming the clients who trusted him,” says Noah Abrahams, staff attorney with the Bureau.

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