



**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE  
FOR THE STATE OF TENNESSEE**

**TENNESSEE SECURITIES DIVISION,**

**Petitioner,**

**v.**

**Kennedy Wealth Management, LLC  
and Derek Kennedy**

**Respondents.**

**MATTER No.: 25-0000422**

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**CONSENT ORDER**

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The Securities Division of the Tennessee Department of Commerce and Insurance (“Division”) and Kennedy Wealth Management, LLC. (“Kennedy Wealth”) and Derek Kennedy (“Kennedy”), together (“Respondents”), agree to the entry and execution of this Consent Order in accordance with Tennessee Code Annotated (“Tenn. Code Ann.”) § 48-1-116 of the Tennessee Securities Act of 1980 (“Act”), as amended, and Tenn. Code Ann. §§ 48-1-101 to 48-1-201, subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”).

**PARTIES**

1. Kennedy Wealth is an investment adviser firm with its principal place of business located in Knoxville, Tennessee. It is assigned Central Registration Depository (“CRD”) Number 117558 with the Financial Industry Regulatory Authority (“FINRA”).

2. Kennedy is the President and Managing Member/Firm Principal of Kennedy Wealth and is assigned CRD number 2357481 with FINRA.

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3. The Division is the lawful agent through which the Commissioner discharges the administration of the Act pursuant to Tenn. Code Ann. § 48-1-115.

#### **GENERAL STIPULATIONS**

4. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry and execution of the Commissioner.

5. It is expressly understood that this Consent Order is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

6. This Consent Order is executed by the Commissioner, the Division, and the Respondents to avoid further administrative action with respect to this cause. Should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

7. The Respondents fully understand that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts and/or omissions not specifically addressed in this Consent Order nor for facts and/or omissions that do not arise from the facts or transactions herein.

8. The Respondents fully understand that this Consent Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for acts or omissions addressed specifically in this Consent Order, violations of law under statutes, rules, or regulations of the State of Tennessee that arise out of the facts, acts, or omissions contained in this

Consent Order, or acts or omissions addressed specifically herein that result from the execution of this Consent Order.

9. The Respondents waive all further procedural steps and waive all rights to seek judicial review of, or otherwise challenge the validity of this Consent Order, the stipulations and imposition of discipline contained herein, or the consideration and entry and execution of this Consent Order by the Commissioner.

10. This Consent Order is submitted on the condition that, if accepted, the Commissioner will not bring any future actions against the Respondents alleging violations based on the same factual findings described herein.

### **FINDINGS OF FACT**

11. On or about September 24, 2024, the Division opened a routine post-registration cyclical examination of Kennedy Wealth. The firm was examined by the Division in 2016, 2018, and 2021, with no deficiencies noted in these prior examinations.

12. During the 2024 Examination, the Division found that Kennedy Wealth failed to meet net capital requirements for six (6) out of twenty-four (24) months: November 2022, July 2023, and June through September 2024.

13. Kennedy stated he had kept a separate twenty-thousand-dollar (\$20,000) fund for net capital since 2015, but as of March 2022, mistakenly began treating the account in question as a cash reserve and allowed it to occasionally drop below the required Net Capital threshold.

14. Kennedy told the Division that moving forward, he will maintain a dedicated net capital account with a twenty-five-thousand-dollar (\$25,000) balance, monitored monthly and not used for daily transactions.

### **CONCLUSIONS OF LAW**

15. Pursuant to Tenn. Code Ann. § 48-1-115(a), the responsibility for the administration of the Act is vested in the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility pursuant to Tenn. Code Ann. § 48-1-115(b).

16. Tenn. Code Ann. § 48-1-116 provides that the Commissioner may make, promulgate, amend, and rescind such orders as are necessary to carry out the provisions of the Act upon a finding that such order is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

17. Tenn. Code Ann. § 48-1-109 provides, in part, that:

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- (e) The commissioner may, after notice and an opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars (\$10,000) per violation, or in an amount not to exceed twenty thousand dollars (\$20,000) per violation if an individual who is a designated adult is a victim.

18. Tenn. Code Ann. § 48-1-112 provides, in part, that:

- (a) The commissioner may by order deny, suspend, or revoke any registration under this part if the commissioner finds that:
  - (1) The order is in the public interest and necessary for the protection of investors; and
  - (2) The applicant or registrant or, in the case of a broker-dealer or investment adviser, any affiliate, partner, officer, director, or any person occupying a similar status or performing similar functions:

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- (B) Has willfully violated or willfully failed to comply with any provision of this part or a predecessor chapter or any rule or order under this part or a predecessor chapter, including, without limitation, any net capital requirements;

- (d) In any case in which the commissioner is authorized to deny, revoke, or suspend the registration of a broker-dealer, agent, investment adviser, investment adviser representative, or applicant for broker-dealer, agent, investment adviser, or investment adviser representative registration, the commissioner may, in lieu of or in addition to such disciplinary action, impose a civil penalty in an amount not to exceed five thousand dollars (\$5,000) for all violations for any single transaction, or in an amount not to exceed ten thousand dollars (\$10,000) per violation if an individual who is a designated adult is a victim.

19. Tenn Comp. R. & Regs. 0780-04-03-.01(6) provides, in part, that:

- (a) Except as provided under subparagraph (6)(d) of this Rule, every investment adviser registered or to be registered shall have and maintain a minimum net capital of fifteen thousand dollars (\$15,000).

20. The Findings of Fact detailed above show that Respondents failed to maintain minimum net capital for twelve months in violation of Tenn. Comp. R. & Regs. 0780-04-03-.01(6)(a). Respondents' violations constitute grounds for the assessment of civil penalties pursuant to Tenn. Code Ann. § 48-1-109(e).

21. Respondents' violations constitute grounds for the assessment of civil penalties pursuant Tenn. Code Ann. § 48-1-112.

22. The Commissioner finds the following relief **appropriate**, in the public interest, and necessary for the protection of investors.

### **ORDER**

**NOW, THEREFORE**, based on the foregoing, including the Respondents' waiver of the right to a hearing and appeal under the Act and the Tennessee Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 *et seq.*, and the Respondents' admission to the jurisdiction of the Commissioner, the Commissioner finds that the Respondents agree to the entry and execution of this Consent Order to settle this matter as evidenced by the Respondents' signature.

**IT IS ORDERED**, pursuant to Tenn. Code Ann. § 48-1-116(a), that the Respondents shall:

1. The Respondents shall **COMPLY** with the Act, as amended, and all rules promulgated thereunder; and

2. The Respondents **PAY A CIVIL PENALTY** to the State of Tennessee of two thousand dollars (\$2,000), each of which shall be held jointly and severally liable for such, pursuant to the following payment terms:

The payment of such civil penalty shall be made by check payable to the Tennessee Department of Commerce and Insurance within thirty (30) days of the execution of this Order by the Commissioner. Page one (1) of this Consent Order must accompany the payment for reference. Payment shall be mailed to the attention of:

**State of Tennessee  
Department of Commerce and Insurance  
Attn: Catherine Tabor  
500 James Robertson Parkway  
Davy Crockett Tower  
Nashville, Tennessee 37243**

3. **GRACE PERIOD** – Payment shall be timely made if postmarked within five (5) business days of the date payment is due.

4. **DELINQUENCY** – Respondents hereby agree that failure to make any payment according to this Consent Order shall result in the immediate revocation of Respondents' registrations with the Division.

5. **MODIFICATION** – The Division and Respondent hereby agree that modifications to this Consent Order regarding any term may only be made in writing and signed by an authorized representative of each party.

6. The Respondents' failure to comply with the terms of this Consent Order, including the manner and method of payment of the civil penalty described above, shall result in further administrative disciplinary actions, which may include the assessment of additional civil penalties.

7. This Consent Order represents the complete and final resolution of and discharge of all administrative and civil claims, demands, actions, and causes of action by the Commissioner against the Respondents for violations of the Act with respect to the transactions involved in above-referenced facts. However, excluded from and not covered by this paragraph, are any claims by the Division arising from or relating to the enforcement of the Consent Order provisions contained herein.

8. This Consent Order is in the public interest and the best interests of the Parties. It represents a settlement of the controversy between the Parties and is for settlement purposes only. By the signatures affixed below, or in two (2) or more counterparts, the Respondents affirmatively state the following: the Respondents freely agree to the entry and execution of the Consent Order; the Respondents waive the right to a hearing on, or a review of, the matters, the Findings of Fact, and the Conclusions of Law underlying this Consent Order or the enforcement of this Consent Order; and the Respondents encountered no threats or promises of any kind by the Commissioner, the Division, or any agent or representative thereof.

9. By signing this Consent Order, the Commissioner, the Division, and the Respondents affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement as set forth in this Consent Order, are binding upon them.

10. This Consent Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document.


The facsimile, email, or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or other electronic copies shall be deemed to constitute duplicate originals.

**ENTERED AND EXECUTED** August 12, 2025.



Carter Lawrence, Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY AND EXECUTION:**



Derek Kennedy  
*Individually and on behalf of:*  
Kennedy Wealth Management, LLC



Elizabeth Bowling  
Assistant Commissioner for Securities  
Department of Commerce and Insurance



Catherine Tabor, BPR # 038467  
Associate Counsel  
Department of Commerce and Insurance