



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

TENNESSEE SECURITIES DIVISION,)	
)	
Petitioner,)	
)	
v.)	TSD No.: 19-002
)	
)	
FAMILY WEALTH MANAGEMENT,)	
LLC,)	
)	
Respondent.)	

CONSENT ORDER

The Securities Division of the Tennessee Department of Commerce and Insurance (“Division”) and Family Wealth Management, LLC (“Respondent”), by and through undersigned counsel, agree to the entry 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 Tennessee Code Annotated §§ 48-1-101 to 48-1-201, subject to the approval of the Commissioner of the Department (“Commissioner”).

PARTIES

1. Respondent is an investment adviser firm with its principal place of business located at: 104 Woodmont Boulevard, Suite 205, Nashville, TN 37205. Respondent’s assigned Central Registration Depository (“CRD”) number with the Financial Industry Regulatory Authority (“FINRA”) is: 109253.

2. 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

3. 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 of the Commissioner.

4. 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.

5. This Consent Order is executed by the Commissioner, the Division, and the Respondent 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.

6. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against it 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.

7. Respondent fully understands 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.

8. Respondent waives all further procedural steps and waives 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 of this Consent Order by the Commissioner.

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

FINDINGS OF FACT

10. On December 31, 2018, Respondent's registration as an investment adviser expired due to the firm's failure to renew.

11. As soon as Respondent learned that it failed to renew its registration, Steve Thorne, Respondent's Chief Compliance Officer, immediately contacted the Division on January 23, 2019, and explained that FINRA's renewal reminder emails went to his "spam" e-mail box. As a result, Respondent inadvertently failed to renew its registration as an investment adviser.

12. On January 24, 2019, Respondent submitted another application for registration.

13. During approximately a month's period of time, from January 1, 2019, to January 23, 2019, Respondent remained unregistered in this State. While it was unregistered, it billed forty-two (42) clients fees totaling eighty-nine thousand seventy-six dollars (\$89,076) only because it's billing cycle begins at the start of each quarter.

14. Respondent has since established procedures to ensure that this inadvertent failure to renew its registration will not occur again, including marking FINRA as a domain whose emails are never blocked, and adding an annual reminder for the first Monday of every December to pay its registration fees.

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(c)(1)-(3) provides that it is unlawful for any person to transact business from, in, or into this state as an investment adviser unless: (1) the person is registered as an investment adviser; (2) the person is required to register as an investment adviser pursuant to § 203 of the Investment Advisers Act of 1940 (15 U.S.C. § 80b-3); provided, however, that requisite notice filings and fees are provided; or (3) the person's only clients in this state are insurance companies.

18. Pursuant to Tenn. Code Ann. § 48-1-109(e), the Commissioner may, after notice and opportunity for a hearing impose a civil penalty against any person found to be in violation of the registration requirements under the Act 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 a designated adult is a victim.

19. The Findings of Fact detailed above show that Respondent transacted business as an investment adviser without registering or qualifying for an exemption under Tenn. Code Ann. § 48-1-109, from January 1, 2019, to January 23, 2019, which is about a month's period of time.

20. Respondent's violation of Tenn. Code Ann. § 48-1-109(c) constitutes grounds for the assessment of civil penalties pursuant to Tenn. Code. Ann. § 48-1-109(e).

21. 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 Respondent's 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 Respondent's admission to the jurisdiction of the Commissioner, the Commissioner finds that Respondent agrees to the entry of this Consent Order to settle this matter as evidenced by the Respondent's signature.

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

1. **COMPLY** with the Act, as amended, and all rules promulgated thereunder; and
2. **PAY A CIVIL PENALTY** to the State of Tennessee of five-hundred dollars (\$500.00) on behalf of the Respondent. The payment of such civil penalty shall be made by check payable to the Tennessee Department of Commerce and Insurance. Page one (1) of this Consent Order must accompany the payment for reference. Payment shall be remitted within thirty (30) days after entry of this Consent Order, mailed to the attention of:

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

3. Respondent's 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.

4. **IT IS FURTHER ORDERED** that 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 Respondent for violations of the Act with respect to the transactions involved in the 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.

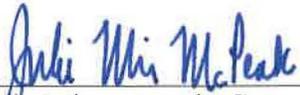
5. This Consent Order is in the public interest and the best interests of the Parties. It represents a settlement of the controversy between the Parties and is for settlement purposes only. By the signatures affixed below, or in two (2) or more counterparts, Respondent affirmatively states the following: Respondent freely agrees to the entry of this Consent Order; Respondent waives 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; and Respondent encountered no threats or promises of any kind by the Commissioner, the Division, or any agent or representative thereof.

6. By signing this Consent Order, the Commissioner, Division, and Respondent 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.

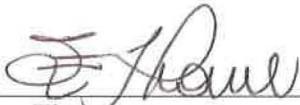
7. This Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. The facsimile, email or other electronically delivered signatures of the parties shall be deemed to

constitute original signatures, and facsimile or electronic copies shall be deemed to constitute duplicate originals.

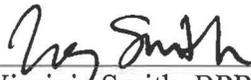
ENTERED this 15 day of March, 2019.


Julie Mix McPeak, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:


Steve Thorne
Chief Compliance Officer
Family Wealth Management, LLC


Frank Borger-Gilligan
Assistant Commissioner for Securities
Department of Commerce and Insurance


Virginia Smith, BPR #31248
Assistant General Counsel for Securities
Department of Commerce and Insurance