



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

TENNESSEE SECURITIES DIVISION, )  
)  
Petitioner, )  
)  
v. ) TSD No.: 20-012  
)  
STEVEN ALAN CAPITAL, LLC )  
)  
Respondent. )

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CONSENT ORDER

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The Securities Division of the Tennessee Department of Commerce and Insurance (“Division”), by and through undersigned counsel, and Steven Alan Capital, LLC (“Respondent”) 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 Department (“Commissioner”).

**I. PARTIES**

1. Steven Alan Capital, LLC (“Respondent”) is an investment adviser registered in Tennessee with Central Registration Depository number (“CRD #”) 302089. Mr. Steven Witt is the Founder and Chief Executive Officer of Steven Alan Capital, LLC, and has the actual and apparent authority and capacity to sign on behalf of, and bind, the Respondent to this Consent Order.

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.

## II. 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 and execution of this Consent Order by the Commissioner. Entry and execution of this Consent Order by the Commissioner shall occur when the Commissioner signs and dates this Consent Order.

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 the findings of fact described herein. 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. The Respondent fully understands 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.

7. The 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. The Respondent waives all further procedural steps and 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.

### **III. FINDINGS OF FACT**

9. In January 2020, Hannah Craze, an examiner for the Division, completed a routine examination of the books and records of the Respondent pursuant to Tenn. Code Ann. § 48-1-111.

10. Ms. Craze's examination revealed that the Respondent's net capital fell below the fifteen thousand dollar (\$15,000) required minimum from September through November of 2019.

11. Besides these three (3) months, the Respondent's net capital has complied with the fifteen thousand dollar (\$15,000) required minimum set forth in Tenn. Comp. Rules & Regs. 0780-04-03-.01(6).

12. On February 10, 2020, Mr. Witt provided a statement to the Division acknowledging his awareness of the fifteen thousand dollars (\$15,000) required minimum net capital and committed to not allowing the Respondent's minimum net capital to fall below the requirement again.

### **IV. CONCLUSIONS OF LAW**

13. 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).

14. Tenn. Code Ann. § 48-1-116 sets forth 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.

15. Tenn. Code Ann. § 48-1-111(a) provides that every investment adviser shall make and keep such accounts, correspondence, memoranda, papers, books, and other records as the Commissioner by rule prescribes.

16. Tenn. Code Ann. § 48-1-111(d)(1) establishes that all records referred to in § 48-1-111(a) are subject to such reasonable examinations by representatives of the Commissioner, as the Commissioner deems necessary or appropriate in the public interest or for the protection of investors.

17. Tenn. Comp. Rules & Regs. 0780-04-03-.01(6)(a) and (d) requires every investment adviser, unless its principal place of business is in another state, to have and maintain a minimum net capital of fifteen thousand dollars (\$15,000).

18. The Findings of Fact detailed above show that the Respondent failed to maintain a minimum net capital of fifteen thousand dollars (\$15,000) from September to November 2019, in violation of Tenn. Comp. Rules & Regs. 0780-04-03-.01(6).

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

#### **V. ORDER**

**NOW, THEREFORE**, based on the foregoing, including the 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 the Respondent's admission to the jurisdiction of the Commissioner, the Commissioner finds that the Respondent agrees to the entry and execution 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, that the 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 (\$500.00).

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 the entry and execution of this Consent Order, as evidenced by the Commissioner's signature, and 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. The 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 action, 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 the 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, the Respondent affirmatively states the following: the Respondent freely agrees to the entry and execution of this Consent Order;

the 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 or the enforcement of this Consent Order; and the Respondent encountered no threats or promises of any kind by the Commissioner, the Division, or any agent or representative thereof.

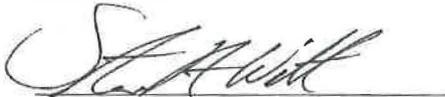
6. By signing this Consent Order, the Commissioner, Division, and the Respondent affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement as set forth in this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

7. This 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 electronic copies shall be deemed to constitute duplicate originals.

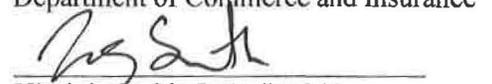
ENTERED AND EXECUTED this 5 day of March, 2020.

  
Hodgen Mainda, Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY AND EXECUTION:**

  
Steven Witt,  
On behalf of  
Steven Alan Capital, LLC

  
Elizabeth Bowling  
Assistant Commissioner for Securities  
Department of Commerce and Insurance

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