



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

TENNESSEE SECURITIES DIVISION,)
)
)
 Petitioner,)
)
)
 v.)
 WEALTHWISE INC.)
 and DAVID L. MAURICE)
)
)
 Respondents.)

MATTER No.: 22-01003

CONSENT ORDER

The Securities Division of the Tennessee Department of Commerce and Insurance (“Division”) and Wealthwise Inc. (“Wealthwise”) and David L. Maurice (“Maurice”) and 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. Wealthwise Inc. is an investment adviser firm with its principal place of business located in Johnson City, Tennessee, and is assigned Central Registration Depository (“CRD”) number 126918 with the Financial Industry Regulatory Authority (“FINRA”).

2. David L. Maurice is an owner and chief compliance officer of Wealthwise Inc. and is assigned CRD number 2120949 with FINRA.

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. The Division opened a cyclical examination of Wealthwise Inc. on or about August 31, 2021.

12. During the examination, the Division discovered that the firm failed to meet the Tennessee monthly net capital requirement for the period of March 31, 2020, through August 31, 2021, in violation of Tenn. Comp. R. & Regs. 0780-04-03.01(6)(a).

13. Additionally, the Division discovered that the Respondents failed to maintain written client agreements in violation of Tenn. Comp. R. & Regs. 0780-04-03.02(6)(c)(19); failed to disclose discretionary power in violation of Tenn. Comp. R. & Regs. 0780-04-03.02(6)(c)(19)(vi); and failed to disclose the advisory fees in violation of Tenn. Comp. R. & Regs. 0780-04-03.02(6)(c)(19)(iii).

CONCLUSIONS OF LAW

14. 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).

15. 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.

16. Tenn. Code Ann. § 48-1-110(5)(d) and Tenn. Comp. R. & Regs. 0780-04-03.01(6)(a) require that every investment adviser registered or to be registered shall have and maintain a minimum net capital of fifteen thousand dollars (\$15,000). Failure to maintain this minimum requirement is a violation pursuant to Tenn. Code Ann. §48-1-112.

17. The Findings of Fact detailed in paragraphs eleven (11) through thirteen (13) above show that Respondents violated Tenn. Code Ann. § 48-1-110(5)(d) by failing to meet the net capital requirements for eighteen (18) months.

18. Tenn. Comp. R. & Regs. 0780-04-03.02(6)(c)(19) provides that it is a dishonest or unethical business practice by an investment adviser or an investment adviser representative under Tenn. Code Ann. § 48-1-112(a)(2)(G), to: Enter into, extend, or renew any investment advisory contract, unless such contract is in writing and, in substance, discloses— (i) the services to be provided; (ii) the term of the contract; (iii) the advisory fee; (iv) the formula for computing the fee; (v) the amount of the prepaid fee to be returned in the event of contract termination or non-performance; (vi) whether the contract grants discretionary power to the adviser; and (vii) that no assignments of such contract shall be made by the investment adviser without the consent of the other party to the contract.

19. The Findings of Fact detailed in paragraphs fourteen (14) through fifteen (15) above show that the Respondents violated Tenn. Code Ann. § 48-1-111(a) and Tenn. Code Ann. §48-1-112 by failing to maintain written client agreements, failing to disclose discretionary power, and failing to disclose to clients the advisory fees.

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

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 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. **COMPLY** with the Act, as amended, and all rules promulgated thereunder; and
2. **COMPLETE** fifteen (15) hours of investment adviser continuing education within thirty (30) days of the execution and entry of this consent order. All required continuing education must be from providers approved by the North American Securities Administrators Association ("NASAA"). The fifteen (15) hours of investment adviser continuing education must be in the following areas:

Ethics/Fiduciary Duty/Best Interest	Six (6) hours
Products/Books & Records/Compliance	Six (6) hours
Additional Relevant Topics	Three (3) hours

Proof of completion shall be submitted to the Division's Director of Registration, April Odom, by sending such via email to April.X.Odom@tn.gov no later than thirty (30) days following entry and execution of this consent order.

3. **PAY A CIVIL PENALTY** to the State of Tennessee of seventeen thousand dollars (\$17,000) pursuant to the following terms:

The payment of such civil penalty shall be made by check or money order payable to the "Tennessee Department of Commerce and Insurance" within thirty 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 A. Tabor
500 James Robertson Parkway
Davy Crockett Tower
Nashville, Tennessee 37243**

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 30, 2023.



[Carter Lawrence \(Aug 30, 2023 08:27 CDT\)](#)

Carter Lawrence, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY AND EXECUTION:



*Individually **and** on behalf of:*
Wealthwise Inc.


[Elizabeth Bowling \(Aug 29, 2023 11:18 CDT\)](#)

Elizabeth Bowling
Assistant Commissioner for Securities
Department of Commerce and Insurance



Andrew Shedlock, MN Bar No. 0395655
Counsel for David L. Maurice and
Wealthwise Inc.


[Catherine Tabor \(Aug 29, 2023 10:47 CDT\)](#)

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