



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

TENNESSEE SECURITIES DIVISION,)	
)	
Petitioner,)	
)	
v.)	TSD No.: 21-044
)	
ALEXANDER JONES and)	
GUARDIAN WEALTH SOLUTIONS, INC.,)	
)	
Respondents.)	

CONSENT ORDER

The Securities Division of the Tennessee Department of Commerce and Insurance (“Division”) and Guardian Wealth Solutions, Inc. (“Guardian”) and Alexander Jones (“Jones”) (collectively “Respondents”), by and through undersigned counsel, 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”).

I. PARTIES

1. The Division is the lawful agent through which the Commissioner administers the Act pursuant to Tenn. Code Ann. § 48-1-115, and it is authorized to bring this action based on the finding that such action 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, pursuant to Tenn. Code Ann. §§ 48-1-112 and 48-1-116.

2. Guardian is an investment adviser with its principal place of business located in Franklin, Tennessee, and is assigned Central Registration Depository (“CRD”) # 300255.

3. Mr. Jones is the majority owner and chief compliance officer of Guardian, a resident of Tennessee, and assigned CRD # 5835712.

II. 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 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.

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 the same 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.

7. The Respondents fully understand that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondents 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 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

10. Guardian registered as an investment adviser in Tennessee on February 21, 2019.

11. On December 18, 2020, the Division opened a routine compliance examination of Guardian.

12. At all times relevant, Mr. Jones was registered with the Division as an investment adviser representative for Guardian, as well as Guardian's majority owner and chief compliance officer.

13. The Respondents cooperated in the examination and promptly provided documents and information sought by the Division during the course of the examination, including balance sheets that reflected the assets, liabilities, and net capital of Guardian and its related entities. After its review, the Division concluded that the Guardian did not meet and maintain minimum net capital requirements for six (6) months out of the twenty-four (24) month period that was the basis of the Division's compliance examination.

14. The failure to meet net capital requirements set forth in paragraph 13 above was the result of the Respondents providing balance sheets which reflected the assets of affiliates of Guardian and not assets contained in accounts held in Guardian's name. Upon recognition of the error, the Respondents maintained net capital requirements without further lapse and demonstrated compliance with the net capital requirement since the Division first brought the matter to Guardian's attention.

15. The Division concluded that the Respondents' application for registration included untrue statements, made in error, because the submitted balance sheets inaccurately included assets of entities other than Guardian in its application for registration.

16. The Division concluded that the Respondents did not properly identify specific advisory fees in Guardian's agreement used for its two hundred seventeen (217) clients. The client agreement listed multiple fees for varying services without the Respondents explicitly showing the client, in writing, the specific fee each client would be charged. During the exam, the Respondents revised Guardian's client agreement and executed a new agreement with their clients.

17. The Respondents utilized an engagement letter for its financial planning clients that did not satisfy the forty-eight (48) hour rule. *See* Tenn. Comp. R. & Regs. 0780-04-03-.10(2)(a)(1.). The firm issued eleven (11) financial planning engagement letters since its inception. The Respondents have taken corrective action to ensure the forty-eight (48) hour rule is satisfied going forward.

IV. CONCLUSIONS OF LAW

18. 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).

19. 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.

20. Tenn. Code Ann. § 48-1-112(a)(1) and (a)(2)(B) provide that the Commissioner may by order deny, suspend, or revoke any registration upon finding that the order is in the public interest and necessary for the protection of investors if the applicant or registrant has violated or failed to comply with any rule.

21. Tenn. Code Ann. § 48-1-112(a)(1) and (a)(2)(G) provide that the Commissioner may by order deny, suspend, or revoke any registration upon finding that the order is in the public interest and necessary for the protection of investors if the applicant or registrant engaged in dishonest or unethical practices in the securities business.

22. Tenn. Code Ann. § 48-1-112(a)(2)(A) provides that the Commissioner may by order deny, suspend, or revoke any registration upon finding that the applicant has filed an application for registration that includes any untrue statement of material fact.

23. Tenn. Code Ann. § 48-1-112(d) states:

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.

24. Tenn. Comp. R. & Regs. 0780-04-03-.01(6) states, in pertinent part:

- (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).

...

25. Tenn. Comp. R. & Regs. 0780-04-03-.10(2) states, in pertinent part:

- (a) An investment adviser, except as provided in subparagraph (2)(b) of this Rule shall deliver the statement required by this subparagraph (2)(a) to an advisory client or prospective advisory client:

- 1. Not less than forty-eight (48) hours prior to entering into any written or oral investment advisory contract with such client or prospective client[.]

...

26. Tenn. Comp. R. & Regs. 0780-04-03-.02(6)(c)(19.)(iii) states that it is a prohibited business practice for an investment adviser or investment adviser representative to enter into an investment advisory contract, unless such contract is in writing and, in substance, discloses the advisory fee.

27. Based on the Findings of Fact above, the Respondents filed an application for registration that included untrue statements by submitting inaccurate balance sheets.

28. Based on the Findings of Fact above, the Respondents failed to meet and maintain minimum net capital requirements.

29. Based on the Findings of Fact above, the Respondents failed to disclose advisory fees to clients in their client agreements by listing multiple fees for varying services in its client agreement.

30. Based on the Findings of Fact above, the Respondents exercised an engagement letter for its financial planning clients that did not satisfy the forty-eight (48) hour rule.

V. 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.*, as well as 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, that the Respondents 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 six thousand dollars (\$6,000). 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 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: William H. Leslie
500 James Robertson Parkway
Davy Crockett Tower
Nashville, Tennessee 37243**

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

4. 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 and the Tennessee Department of Commerce and Insurance against the Respondents 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 Respondents affirmatively state the following: the Respondents freely agree to the entry and execution of this 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.

6. 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.

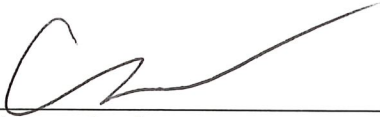
7. This Consent Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. The facsimile, email, or other electronically delivered signatures of the parties shall be deemed to constitute original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

ENTERED AND EXECUTED March 23, 2022.



Carter Lawrence (Mar 23, 2022 11:37 CDT)

Carter Lawrence, Commissioner
Department of Commerce and Insurance

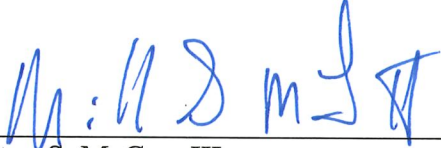
APPROVED FOR ENTRY AND EXECUTION:



Alexander Jones
Individually, and on behalf of,
Guardian Wealth Solutions, Inc.


Elizabeth Bowling (Mar 22, 2022 11:09 CDT)

Elizabeth Bowling
Assistant Commissioner for Securities
Department of Commerce and Insurance



Milton S. McGee, III
Riley Warnock, & Jacobson, PLC
Counsel for Respondents



William H. Leslie, BPR #036098
Associate General Counsel for Securities
Department of Commerce and Insurance