



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

<b>TENNESSEE SECURITIES DIVISION,</b>	)	
	)	
<b>Petitioner,</b>	)	
	)	
<b>v.</b>	)	<b>TSD No.: 21-043</b>
	)	
<b>CRAIG THOMAS DILLON and</b>	)	
<b>IINVESTSOLUTIONS.COM, LLC,</b>	)	
	)	
<b>Respondents.</b>	)	

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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 iInvestsolutions.com, LLC (“iInvestSolutions”) and Craig Thomas Dillon (“Dillon”) (collectively “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”).

**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. Respondent Dillon is a resident of Tennessee and maintains Central Registration Depository number (“CRD #”) 4444118.

3. Respondent iInvestSolutions maintains its principal place of business in Tennessee and maintains CRD # 282450.

## **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. iInvestSolutions registered as an investment adviser in Tennessee on August 4, 2016.

11. On August 28, 2020, the Division opened a routine compliance examination of iInvestSolutions.

12. Mr. Dillon was the investment adviser representative, owner, and chief compliance officer of iInvestSolutions.

13. Mr. Dillon and iInvestSolutions' (together "Respondents") phone number was deactivated and became inaccurate on December 20, 2020, and they did not amend their Form ADV Part 1 and Form ADV Part 2A until March 26, 2021.

14. The Respondents did not meet the Tennessee minimum net capital requirement for twenty-four (24) out of twenty-four (24) months.

15. The Respondents did not maintain monthly records of their net capital calculations for twenty-four (24) out of twenty-four (24) months.

16. iInvestSolutions used Mr. Dillon's personal accounts since its inception in 2016 for the financing of iInvestSolutions' operations and did not open a business checking account until January 2018.

17. The Respondents claimed that between 2016 and 2018, the organization was a sole proprietorship. On April 28, 2016, iInvestSolutions filed its registration as a limited liability company with the Tennessee Secretary of State.

18. During the examination, the Respondents were made aware of the proper net capital calculation and submitted monthly balance sheets to reflect their monthly capital.

19. The Respondents submitted false monthly balance sheets from September 2018 through September 2020 that reflected personal and intangible assets.

20. The Respondents did not maintain ready access to their annual delivery record documentation showing the delivery of their annual disclosures to each client for 2018 and 2019, and they submitted only a screenshot showing the 2018 delivery to one (1) client.

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

21. 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).

22. 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.

23. Tenn. Code Ann. § 48-1-112(a)(1) and 48-1-112(a)(2)(A) provide 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.

24. 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.

25. 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.

26. Tenn. Code Ann. § 48-1-112(d) establishes that when the Commissioner is authorized to deny, revoke, or suspend the registration of an investment adviser or investment adviser representative, “the commissioner may . . . 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.”

27. Tenn. Code Ann. § 48-1-111(a) provides that “[e]very registered broker-dealer and investment adviser shall make and keep such accounts, correspondence, memoranda, papers, books and other records as the commissioner by rule prescribes. All records so required shall be preserved for three (3) years unless the commissioner by rule prescribes otherwise for particular types of records.”

28. Tenn. Code Ann. § 48-1-111(c) establishes that “[i]f the information contained in any document filed with the commissioner is or becomes inaccurate or incomplete in any material respect, the registrant shall promptly file a correcting amendment.”

29. Tenn. Comp. R. & Regs. 0780-04-03-.06, states, in pertinent part:

(1) A person who is required to register as an investment adviser pursuant to Section 203 of the Investment Advisers Act and who is an investment adviser as defined by T.C.A. § 48-1-102(10) shall make the following filings with the Division through the IARD by complying with the filing procedures of the IARD:

...

(c) Except as otherwise provided in the Act, all material changes in the information included in an investment adviser’s most recent notice filing shall be set forth in an amendment to Form ADV and filed promptly with the Division through the IARD.

...

30. Tenn. Comp. R. & Regs. 0780-04-03-.01 states, in pertinent part:

...

(6) Investment Adviser Net Capital Requirements.

(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).

...

31. Tenn. Comp. R. & Regs. 0780-04-03-.02 states, in pertinent part:

...

(3) Investment Adviser Required Records.

- (a) Except as provided in subparagraph (3)(c) of this Rule, every registered investment adviser shall maintain and keep current the following books and records relating to its business, unless waived by order of the commissioner:

...

- 10. A computation made monthly of the investment adviser's net capital[.]

- (b) All records required by subparagraph (3)(a) of this Rule shall be kept for a period of five (5) years, or for the period of time such records are required to be maintained by SEC Rule 204-2 (17 C.F.R. § 275.204-2), whichever is shorter. For the first two (2) years, such records shall be kept in an easily accessible place.

...

- (4) Investment Adviser Reporting Requirements.

...

- (d) Except as otherwise provided in the Act, all material changes in the information included in an investment adviser's most recent application for registration shall be set forth in an amendment to the Form ADV, pursuant to the updating instructions of Form ADV, and filed promptly through the IARD or directly with the Division, whichever is appropriate.

32. Tenn. Comp. R. & Regs. 0780-04-03-.02(6) states, in pertinent part, regarding prohibited business practices:

...

- (c) The following shall be deemed "dishonest or unethical business practices" by an investment adviser or investment adviser representative under T.C.A. § 48-1-112(a)(2)(G), to the extent permitted under Section 203A of the Investment Advisers Act, without limiting those terms to the practices specified herein:

...

20. Failing to establish, maintain, and enforce written policies and procedures reasonably designed, taking into consideration the nature of such investment adviser's business, to prevent the misuse in violation of the Investment Advisers Act or the 1934 Act, or the rules or regulations promulgated thereunder, of material, non-public information by such investment adviser or any person associated with such investment adviser;

...

26. Failing to provide information requested by the Division pursuant to the Act or these Rules.

33. Tenn. Code Ann. § 48-1-121 provides, in pertinent part, that:

...

(c) It is unlawful for any person to make or cause to be made, in any document filed with the commissioner or in any proceeding under this part, any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.

(d) The commissioner may, after notice and opportunity for a hearing under the Uniform Administrative Procedures Act, . . . 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.

34. Tenn. Comp. R. & Regs. 0780-04-03-.10(1) and (3) provide that an investment adviser shall furnish each client or prospective client with a written disclosure statement, and thereafter annually.

35. Based on the Findings of Fact above, the Respondents failed to promptly amend Item 1.F.(3) of Form ADV Part 1 and Item 1 of Form ADV Part 2A to reflect an accurate business phone number.

36. Based on the Findings of Fact above, the Respondents failed to meet and maintain minimum net capital requirements for twenty-four (24) months.

37. Based on the Findings of Fact above, the Respondents failed to maintain and keep a monthly computation of iInvestSolution's net capital and failed to keep records in an easily accessible place for the first two (2) years.

38. Based on the Findings of Fact above, the Respondents made untrue statements of material facts in documents filed with the Division by submitting false monthly balance sheets from September 2018 through September 2020 and by falsely stating in their registration filing that iInvestSolutions was a limited liability company from 2016-2018.

39. Based on the Findings of Fact above, the Respondents failed to keep records, have access to records, or submit records to the Division for the required annual disclosure statements to clients.

### **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;
2. The Respondents' registrations in Tennessee as an investment adviser and investment adviser representative are **REVOKED**, and Respondents cannot reapply for registration as an investment adviser or investment adviser representative for twenty-four (24) months after the execution of this order.

3. Pay a civil penalty to the State of Tennessee of ten thousand dollars (\$10,000). 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 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**

Payment shall be remitted in eighteen (18) monthly installments as follows:

<b>Payment Number</b>	<b>Due Date</b>	<b>Amount (Total Paid in parentheses)</b>
1	February 1, 2022	\$417.00 (\$417.00)
2	March 1, 2022	\$417.00 (\$834.00)
3	April 1, 2022	\$417.00 (\$1,251.00)
4	May 1, 2022	\$417.00 (\$1,668.00)
5	June 1, 2022	\$417.00 (\$2,085.00)
6	July 1, 2022	\$417.00 (\$2,502.00)
7	August 1, 2022	\$417.00 (\$2,919.00)
8	September 1, 2022	\$417.00 (\$3,336.00)
9	October 1, 2022	\$417.00 (\$3,753.00)
10	November 1, 2022	\$417.00 (\$4,170.00)
11	December 1, 2022	\$417.00 (\$4,587.00)
12	January 1, 2023	\$417.00 (\$5,004.00)
13	February 1, 2023	\$417.00 (\$5,421.00)
14	March 1, 2023	\$417.00 (\$5,838.00)
15	April 1, 2023	\$417.00 (\$6,255.00)

16	May 1, 2023	\$417.00 (\$6,672.00)
17	June 1, 2023	\$417.00 (\$7,089.00)
18	July 1, 2023	\$417.00 (\$7,506.00)
19	August 1, 2023	\$417.00 (\$7,923.00)
20	September 1, 2023	\$417.00 (\$8,340.00)
21	October 1, 2023	\$417.00 (\$8,757.00)
22	November 1, 2023	\$417.00 (\$9,174.00)
23	December 1, 2023	\$417.00 (\$9,591.00)
24	January 1, 2024	\$409.00 (\$10,000.00)

4. 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 action, which may include the assessment of additional civil penalties. Respondents may prepay the civil penalty at any time.

5. 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 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.

6. 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.

7. 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.

8. 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.

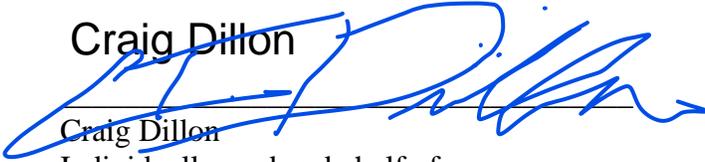
**ENTERED AND EXECUTED** this 26th day of January, 2022.

  
Carter Lawrence (Jan 26, 2022 12:25 CST)

Carter Lawrence, Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY AND EXECUTION:**

Craig Dillon



Craig Dillon  
Individually, and on behalf of,  
iInvestSolutions.com, LLC



Elizabeth H. Bowling  
Assistant Commissioner for Securities  
Department of Commerce and Insurance



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