



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

<b>TENNESSEE SECURITIES DIVISION,</b>	)	
	)	
<b>Petitioner,</b>	)	
	)	
<b>v.</b>	)	<b>APD No.: 12.06-203575J</b>
	)	<b>TSD No.: 20-063</b>
	)	
<b>BRIAN JONES AND</b>	)	
<b>JONES WEALTH MANAGEMENT, LLC,</b>	)	
	)	
<b>Respondents.</b>	)	

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**AGREED ORDER**

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The Securities Division of the Tennessee Department of Commerce and Insurance (“Division”) and Brian Jones and Jones Wealth Management, LLC (together “Respondents”) agree to the entry and execution of this Agreed 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. 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. Brian Jones is a resident of Tennessee and is an investment adviser representative, with Central Registration Depository number (“CRD #”) 2543001.

3. Jones Wealth Management, LLC is an investment adviser in Tennessee, with CRD # 156953.

## **II. GENERAL STIPULATIONS**

4. It is expressly understood that this Agreed 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 Agreed Order by the Commissioner. Entry and execution of this Agreed Order by the Commissioner shall occur when the Commissioner signs and dates this Agreed Order.

5. It is expressly understood that this Agreed 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 Agreed Order is executed by the Commissioner, the Division, and the Respondents to avoid further administrative action with respect to the findings of fact described herein. Should this Agreed Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Agreed 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 Agreed Order will in no way preclude additional proceedings by the Commissioner against the Respondents for acts and/or omissions not specifically addressed in this Agreed Order nor for facts and/or omissions that do not arise from the facts or transactions herein.

8. The Respondents fully understand that this Agreed Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for acts or

omissions addressed specifically in this Agreed 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 Agreed Order, or acts or omissions addressed specifically herein that result from the execution of this Agreed Order.

9. The Respondents waive all further procedural steps and all rights to seek judicial review of, or otherwise challenge the validity of this Agreed Order, the stipulations and imposition of discipline contained herein, or the consideration and entry and execution of this Agreed Order by the Commissioner.

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

10. In October 2019, Ethan Rosenberg (“Rosenberg”), Securities Examiner II for the Division, conducted an examination of the books and records of the Respondents pursuant to Tenn. Code Ann. § 48-1-111, throughout which the Respondents remained cooperative.

11. In or about December 2019, Mr. Rosenberg completed his examination and found several deficiencies and referred the matter to the Office of Legal Counsel for the Division in January of 2020. Several phone calls ensued with the Respondents and/or their counsel to settle the matters without pursuing litigation.

12. One of the deficiencies occurred in 2018 and 2019, when the Respondents filed two (2) balance sheets with the Division for fiscal years 2017 and 2018. Both of these balance sheets purported to show a business savings account belonging to the Respondents that held fifteen thousand dollars (\$15,000) liquid cash; however, in December 2019, the Respondents admitted that the firm did not have such an account but instead maintained the required minimum net capital based on the value of personal physical assets and funds held in a personal account.

13. When Mr. Rosenberg requested appraisals for Brian Jones’s personal physical

assets, the Respondents were unable to provide such appraisals or any documentation establishing the value of the physical assets. Additionally, the Respondents could not produce bank statements confirming that Brian Jones maintained fifteen thousand dollars (\$15,000) in a personal account, when they originally claimed they could provide such bank statements.

14. As a result, the Respondents provided no documentation establishing that they kept the minimum net capital of fifteen thousand dollars (\$15,000) for the period of September 2017 through September 2019.

15. The Respondents also provided third-party money manager agreements in lieu of agreements entered into between themselves and their clients that set forth the fees to be charged and the manner of computation and method of payment thereof, and copies of all communications, correspondence, and other records relating to securities transactions per Tenn. Comp. R. & Regs. 0780-04-03-.02(3)(a)8. The Division only issued a warning and pursued no civil penalties based on this fact.

16. On April 24, 2020, the Commissioner executed Consent Order TSD No. 20-008, with the Respondents and their counsel, that settled the deficiencies found in the examination that commenced in October 2019. As a result of the agreement, the Respondents were suspended for fifteen (15) days and a civil penalty was assessed. In addition, the Respondents were to provide “workpapers, documents, and/or records, including but not limited to bank statements, depreciation schedules, or appraisals, that exhibit, calculate, or establish the Respondents’ net worth [‘net capital workpapers’]” on specific dates outlined in Consent Order TSD No. 20-008. If the Respondents did not provide such net worth workpapers, then the Respondents’ registrations would be “automatically suspended until such a date when the workpapers, documents, and/or records are provided to the Division[.]”

17. Prior to or soon after the execution of Consent Order TSD No. 20-008, the Respondents informed the Division that they would be terminating Jones Wealth Management. The Respondents also inquired about the applicability of providing the net capital workpapers if they terminated Jones Wealth Management.

18. The Division informed them that they would not be required to provide such net capital workpapers if Jones Wealth Management was terminated.

19. On July 1, 2020, the Respondents neither terminated Jones Wealth Management nor provided the net capital workpapers. As a result, the Division enforced Consent Order TSD No. 20-008 and suspended the Respondents.

20. On or about July 30, 2020, Retirement Wealth Advisors, LLC (“Retirement Wealth”) applied for registration on behalf of Brian Jones to register him as an investment adviser representative in Tennessee. At that time, Jones Wealth Management remained an existing firm, as the Respondents had not terminated the firm.

21. In response to Retirement Wealth’s application on behalf of Brian Jones, the Division submitted a series of questions. The Division specifically inquired about Brian Jones’s failure to disclose a second suspension from registration for not terminating Jones Wealth Management, as he previously agreed to do, and as memorialized by Consent Order TSD No. 20-008.

22. The Division further inquired whether the Respondents charged their clients fees at any point while they were not registered and suspended, to which they answered in the affirmative.

23. The Respondents charged their clients fees after the Division previously informed them that they were not to charge any fees while suspended and not registered. Furthermore, they

were warned that doing so would constitute unregistered activity as an investment adviser and investment adviser representative.

24. On or about August 21, 2020, Retirement Wealth withdrew its application for registration submitted on behalf of Brian Jones.

25. The Division sought and entered an Order of Denial of Retirement Wealth's application for registration on behalf of Brian Jones for failing to comply with Consent Order TSD No. 20-008 and for conducting unregistered activity in September 2020.

26. On September 14, 2020, Jones Wealth Management requested to terminate its registration.

27. As a result, on October 13, 2020, the Division filed a Notice of Hearing and Charges.

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

28. 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).

29. 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.

30. Tenn. Comp. R. & Regs. 0780-04-03-.01(9)(e) establishes:

The registration of an investment adviser representative shall be subject to revocation proceedings even though the registrant has filed an application to terminate his or her registration, and an application for registration as an investment adviser representative

shall be subject to denial proceedings even though the applicant has filed to withdraw his or her application. The [C]ommissioner may institute a revocation or denial proceeding under T.C.A. § 48-1-112 within thirty (30) days after the filing date of an application to terminate or withdraw on Form U5 by a registrant or an applicant and enter a revocation order as of the last date on which registration was effective or a denial order as of the filing date of the request to withdraw an application. For purposes of this subparagraph, “filing date” shall mean the date upon which notice of the Form U5 filed on behalf of a registrant or an applicant is actually received by the Division through the IARD and CRD System, or for non-IARD and CRD System investment adviser representatives, the date upon which the Form U5 is received directly by the Division.

31. Tenn. Code Ann. § 48-1-109(c)(1) states that “[i]t is unlawful for any person to transact business from, in, or into this state as an investment adviser or investment adviser representative unless: [t]he person is registered as an investment adviser or investment adviser representative under this part . . .” or qualifies for an exemption, as outlined in Tenn. Code Ann. § 48-1-109(c)(2)-(3).

32. Tenn. Code Ann. § 48-1-112(a)(2)(B) provides that the Commissioner may by order deny, suspend, or revoke any registration if the Commissioner finds that the order is in the public interest and necessary for the protection of investors, and if the Commissioner finds that the applicant or registrant or, in the case of a broker-dealer or investment adviser, any affiliate, partner, officer, director, or any person occupying a similar status or performing similar functions “[h]as willfully violated or willfully failed to comply with any provision of this part or a predecessor chapter or any rule or order under this part or a predecessor chapter, including, without limitation, any net capital requirements[.]”

33. Tenn. Code Ann. § 48-1-112(a)(1) and 48-1-112(2)(E) also authorizes the Commissioner to revoke any registration if the Commissioner finds that the order is in the public interest and necessary for the protection of investors, and he finds that the applicant or registrant

or, in the case of a broker-dealer or investment adviser, any affiliate, partner, officer, director, or any person occupying a similar status or performing similar functions “[i]s the subject of an order of the [C]ommissioner denying, suspending, or revoking any registration as a broker-dealer, agent, investment adviser, or investment adviser representative, or ordering any person to cease and desist from violation any provision of this part[.]”

34. The Findings of Fact detailed above show that the Respondents violated Tenn. Code Ann. § 48-1-109(c).

35. Accordingly, the Parties find 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 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 Agreed Order to settle this matter as evidenced by the Respondents’ signature.

**IT IS ORDERED**, pursuant to Tenn. Code Ann. § 48-1-116, that:

1. The Respondents shall **COMPLY** with the Act, as amended, and all rules promulgated thereunder;
2. The Respondents shall **CEASE AND DESIST** from further prohibited activity as outlined in the above findings of facts;
3. The Respondents’ registrations with the Division are **REVOKED**; and
4. The Respondents’ failure to comply with the terms of this Agreed Order or Consent Order TSD No. 20-008, including the manner and method of payment of any civil penalty, shall

result in further administrative disciplinary action, which may include the assessment of additional civil penalties.

5. **IT IS FURTHER ORDERED** that this Agreed 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 Agreed Order provisions contained herein or Consent Order TSD No. 20-008.

6. This Agreed 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 Agreed 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 Agreed Order or the enforcement of this Agreed 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 Agreed Order, the Commissioner, Division, and the Respondents affirmatively state their agreement to be bound by the terms of this Agreed 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 Agreed Order, are binding upon them.

8. This Agreed 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** February 16, 2021.

  
Carter Lawrence (Feb 16, 2021 10:58 EST)  
Carter Lawrence, Commissioner  
Department of Commerce and Insurance

This Agreed Order is entered and effective this 16th day of February, 2021. Once signed by the Administrative Law Judge presiding over this matter, this matter is **DISMISSED** as there are no issues remaining to be resolved.

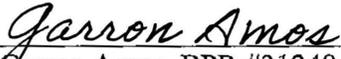
It is so **ORDERED**.

  
Richard M. Murrell  
Administrative Judge  
Administrative Procedures Division  
Office of the Secretary of State

**APPROVED FOR ENTRY AND EXECUTION:**

  
\_\_\_\_\_  
Brian Jones, individually and on behalf of:  
Jones Wealth Management, LLC  
*Respondents*

  
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EB (Feb 17, 2021 16:40 CST)  
Elizabeth Bowling  
Assistant Commissioner for Securities  
Department of Commerce and Insurance

  
\_\_\_\_\_  
Garron Amos, BPR #31248  
Associate General Counsel  
Department of Commerce and Insurance

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of this Agreed Order will be served upon the Respondents via e-mail and regular mail, to the below enclosed address on February 16, 2021.

Brian Jones  
4446 Wellesley Drive  
Suite 600  
Ooltewah, TN 37363  
briankjones@comcast.net

*Garron Amos*  
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Garron Amos