



STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
OFFICE OF LEGAL COUNSEL  
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February 3, 2022

VIA E-MAIL, U.S. MAIL, AND  
CERTIFIED MAIL, RETURN RECEIPT REQUESTED NO.: 7021 1970 0001 3390 0887

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Kline Preston Law Group  
Belle Meade Office Park  
4515 Harding Pike, Suite 107  
Nashville, TN 37205  
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**Re: TSD v. William Michael Hughes and Health & Wealth Management, LLC**  
**Docket No. 12.06-210355J**

Dear Mr. Preston:

On December 13, 2021, Judge Mary M. Collier (“Judge Collier”) entered an Initial Order that revoked the registrations of Mr. Hughes and Health & Wealth Management with the Tennessee Securities Division. The Order imposed civil penalties in the amount of three thousand dollars (\$3,000). A timely petition to reconsider was filed on December 28, 2021, and was denied by Judge Collier on January 13, 2022. No further action was taken to appeal the Initial Order, and the Initial Order became final on January 21, 2022.

The now Final Order of Judge Collier **requires you to pay a civil penalty in the amount of three thousand dollars (\$3,000)**. Although costs were assessed in addition to this sum, they are not being sought in this collection effort.

No further notice will be sent from this office. Nonpayment may result in additional legal action to collect this debt. I have enclosed a copy of the December 13, 2021, Initial Order and the January 13, 2022, Order Denying Petition for Reconsideration of Initial Order for your reference.

Respectfully,



William H. Leslie  
Associate General Counsel for Securities  
Davy Crockett Tower  
500 James Robertson Parkway  
Nashville, TN 37243  
(615) 532-9912  
William.Leslie@tn.gov

Enclosures:

1. December 13, 2021, Initial Order
2. January 13, 2022, Order Denying Petition for Reconsideration of Initial Order

cc: Elizabeth H. Bowling, Assistant Commissioner for Securities  
Maliaka Bass, Deputy General Counsel



**State of Tennessee**  
**Department of State**  
Administrative Procedures Division  
312 Rosa L. Parks Avenue  
8<sup>th</sup> Floor, William R. Snodgrass Tower  
Nashville, Tennessee 37243-1102  
Phone: (615) 741-7008/Fax: (615) 741-4472

**December 13, 2021**

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William H. Leslie, Esq.  
Tennessee Department of Commerce and Insurance  
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Health & Wealth Management, LLC  
117 Trout Valley Dr.  
Hendersonville, TN 37075

William Michael Hughes  
117 Trout Valley Dr.  
Hendersonville, TN 37075

**RE: TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE V. WILLIAM  
MICHAEL HUGHES : HEALTH & WEALTH MANAGEMENT, LLC, APD Case  
No. 12.06-210355J**

Enclosed is an *Initial Order*, including a *Notice of Appeal Procedures*, rendered in this case.

Administrative Procedures Division  
Tennessee Department of State

Enclosure(s)

**BEFORE THE COMMISSIONER OF THE TENNESSEE DEPARTMENT OF  
COMMERCE AND INSURANCE**

**IN THE MATTER OF:**

**TENNESSEE DEPARTMENT OF  
COMMERCE AND INSURANCE,  
*Petitioner,***

**v.**

**WILLIAM MICHAEL HUGHES *and*  
HEALTH & WEALTH MANAGEMENT,  
LLC,  
*Respondents.***

**APD Case No. 12.06-210355J**

**INITIAL ORDER**

This matter was heard *de novo* on July 1, 2021, *via* webex before Administrative Judge Mary M. Collier, assigned by the Secretary of State, Administrative Procedures Division (“APD”), to sit for the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”). The Petitioner, the Tennessee Department of Commerce and Insurance, Securities Division (“Petitioner” or “Division”), was represented by William Leslie, Associate General Counsel, and Vishan Ramcharan, Associate General Counsel. The Respondents, William Michael Hughes (“Hughes”) and his company, Health & Wealth Management, LLC (“HWM”), appeared *pro se*, waiving the right to hire legal counsel.<sup>1</sup>

On August 2, 2021, the Petitioner filed the TRANSCRIPT from the hearing. On August 2, 2021, the Petitioner filed a MOTION FOR EXTENSION OF TIME TO FILE PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW, which was GRANTED by ORDER issued on August 4, 2021, extending the due date for the Petitioner to file PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW until August 13, 2021. Thereafter, on August 9, 2021, the Petitioner timely filed

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<sup>1</sup> Because he did not have access to a computer, the Respondent William Michael Hughes was provided with a computer and webex access at the Petitioner’s offices in order to participate in the hearing.

PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW. The Respondents were given through and including 4:30 p.m. Central Time on Friday, September 10, 2021, to file PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW. To date, the Respondents have not filed PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW.<sup>2</sup>

After consideration of the entire RECORD in this matter, it is **ORDERED** that the registrations of the Respondents William Michael Hughes and Health & Wealth Management, LLC, shall be **REVOKED**, and that the Respondents William Michael Hughes and Health & Wealth Management, LLC, are jointly assessed **CIVIL PENALTIES** in the total amount of three thousand dollars (\$3,000). This decision is based upon the following.

#### **PRELIMINARY FINDINGS**

1. The Respondents did not file a witness and exhibit list before the hearing but Respondent Hughes brought documents with him and requested that his parents be allowed to testify.

2. The Petitioner objected to the introduction of the Respondents' documents and witnesses, arguing that Respondent Hughes failed to file his witness and exhibit list as ordered.

3. The undersigned Judge allowed the Respondents' proposed exhibits and two (2) witnesses in the interest of justice. However, the Respondents did not call the two (2) witnesses (Respondent Hughes' parents) to testify during the hearing. Respondent Hughes did testify on his own behalf. Similarly, the Respondents did not submit all of the exhibits that Respondent Hughes brought to the hearing as evidence during the hearing.

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<sup>2</sup> On September 3, 2021, Respondent Hughes emailed the undersigned Judge a copy of a check with the following statement: "I have attached a check that was used to buy the Silver. It was in the company name after all. Therefore, the minimum capitol [sic] limit was not breached." Respondent Hughes failed to copy counsel for the Petitioner on this email. This email is an *ex parte* communication by Respondent Hughes with the undersigned Judge. TENN. CODE ANN. § 4-5-304 (c). This email has been added to the TECHNICAL RECORD in this matter pursuant to TENN. CODE ANN. § 4-5-304 (e). However, because the evidentiary proof in this matter was closed on July 1, 2021, and Respondent Hughes did not file a motion to reopen the proof in this case, this email and the attached copy of a check will NOT be considered as evidence in this case.

## **FINDINGS OF FACT**

1. The Respondent William Michael Hughes is a resident of Tennessee and was a registered investment adviser representative.
2. Respondent Health & Wealth Management, LLC, was a registered investment adviser in Tennessee with Central Registration Depository number (CRD) # 305984.
3. The Respondents registered with the Tennessee Department of Commerce and Insurance, Securities Division, in 2020.
4. On or before December 31, 2020, both Respondents failed to renew registrations with the Tennessee Department of Commerce and Insurance, Securities Division.
5. A routine cyclical examination letter was sent to Respondent Health & Wealth Management, LLC, on October 29, 2020.
6. The letter was addressed to Respondent Hughes because he was listed as Respondent HWM's chief compliance officer.
7. The letter was a standard opening letter to request books and records from investment advisers.
8. The letter was emailed to Respondent Hughes and a "read receipt" was obtained.
9. The first submission of information from the Respondents was due within five (5) business days of opening the letter; no response from Respondent Hughes was received.
10. The day before the first submission was due, Keith Ripley, Securities Examiner II ("Examiner Ripley"), and April Odom, Director of Registration, placed a phone call to Respondent Hughes, but the Respondents still sent no information.
11. The Division granted a fourteen-day extension to the Respondents, and by the extended due date of November 25, 2020, some questions were answered, but the submissions were incomplete.

12. On December 15, 2020, a follow-up letter was sent giving the Respondents forty-eight (48) hours to submit the missing documents.
13. The Respondents failed to provide a compliance manual, written supervisory procedures, or written risk management procedures.
14. The client list and account registration documents provided by the Respondents indicated two (2) clients over the age of sixty-five (65).
15. The Respondents' two (2) clients are Respondent Hughes' parents.
16. The Respondents did not have ready access to the required information.
17. The Respondents failed to meet the fifteen thousand dollar (\$15,000) minimum net capital requirement for investment advisers for six (6) months based on balance sheets and bank statements sent to the Division by the Respondents.
18. Examiner Ripley could not calculate and verify the balance sheet information provided to the Division by the Respondents.
19. Some assets that the Respondents included in their balance sheet information were in Respondent Hughes' personal name and were not allowable as assets for Respondent Health & Wealth Management, LLC.
20. The two (2) client agreements submitted by the Respondents were not fully executed.
21. The Division oversees registration compliance of investment advisers and investment adviser representatives.
22. The purpose of examination was to look at the books and records of the firm to make sure the firm was in compliance with the Tennessee Securities Act and Rules and for investor protection.

23. The Tennessee Securities Act provides that the Division can request any documents from an investment adviser.

24. The Respondents failed to furnish all required documents to the Division and failed to maintain the net capital requirement.

25. As the chief compliance officer, Respondent Hughes was responsible for ensuring the firm's compliance with the Tennessee Securities Act and Rules.

26. All investment advisers' and investment adviser representatives' registrations expire on December 31 of every year unless renewed, and the Respondents failed to renew their registrations.

27. After failing to renew their registrations, Respondent Hughes communicated to the Division that the Respondents wanted to terminate their registrations.

28. Upon non-renewal, the Division had a thirty-day window to either accept the Respondents' terminations or file an action to revoke their registrations.

29. In this case, the Division chose to file the instant action seeking revocation of the Respondents' registrations.

30. Respondents did not meet the fifteen thousand dollar (\$15,000) minimum net capital requirement.

31. Respondent Hughes admitted that all requested documents were not on site and that he did not have ready access to those documents.

32. Respondent Hughes admitted that it was his responsibility to keep an accounting of his records.

### **CONCLUSIONS OF LAW**

1. In accordance with TENN. COMP. R. & REGS. ch. 1360-04-01-.02(7) and 1360-04-01-.15(3), the Petitioner has shown by a preponderance of the evidence that the facts



alleged in the AMENDED NOTICE OF HEARING AND CHARGES pertaining to the Respondents are true and that the issues therein should be resolved in its favor.

2. TENN. CODE ANN. § 48-1-102 states, in pertinent part:

(9) “Designated adult” means:

(A) An individual sixty-five (65) years of age or older[.]

3. TENN. CODE ANN. § 48-1-112 states, in pertinent part:

(a) The commissioner may by order deny, suspend, or revoke any registration under this part if the commissioner finds that:

(1) The order is in the public interest and necessary for the protection of investors; and

(2) 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:

(A) Has filed an application for registration which as of its effective date, or as of any date after filing in the case of an order denying effectiveness, includes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(B) Has 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; [or]

...

(G) Has engaged in dishonest or unethical practices in the securities business[.]

...

- (d) 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.

...

- 4. TENN. CODE ANN. § 48-1-121 states, in pertinent part:

...

- (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, compiled in title 4, chapter 5, 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.

- 5. TENN. CODE ANN. § 48-1-116 states, in pertinent part:

- (a) The commissioner may from time to time make, promulgate, amend, and rescind such rules, forms, and orders as are necessary to carry out this part, including rules, forms, and orders governing registration statements, applications, reports, and filing fees, and defining any terms, whether or not used in this part, insofar as the definitions are not inconsistent with this part. For the purpose of rules and forms, the commissioner may classify securities, persons, and matters within the commissioner's jurisdiction, and prescribe different requirements for different classes.

...

6. TENN. COMP. R. & REGS. ch. 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).

...

7. TENN. COMP. R. & REGS. ch. 0780-04-03-.02(3) states, in pertinent part:

- (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:

...

- 4. Records showing separately for each client the securities purchased or sold, and to the extent it has been made available to the investment adviser, the date on which, amount of, and price at which the purchases or sales were executed, and the name of the broker-dealer who effected the transaction;

...

- 6. Copies of broker-dealers' confirmations of all transactions placed by the investment adviser for any account, and such other broker dealers' confirmations as may be supplied to the investment adviser by a client or broker-dealer; [and]

...

- 8. Copies of all agreements entered into by the investment adviser with respect to any account, which agreements shall 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[.]

8. TENN. COMP. R. & REGS. ch. 0780-04-03-.02(6) states, in pertinent part:

...

- (c) The following are deemed “dishonest or unethical business practices” by an investment adviser or an 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:

...

19. Entering into, extending, or renewing 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 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;

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; [and]

...

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

9. Pursuant to TENN. CODE ANN. § 48-1-111(d)(1), all records of investment advisers are subject to examination at any time by a representative of the Commissioner as deemed “appropriate in the public interest or for the protection of investors.”

10. 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).

11. The Respondents failed to maintain the fifteen thousand dollar (\$15,000) minimum net capital requirement, in violation of TENN. CODE ANN. § 48-1-112(a)(2)(B) and TENN. COMP. R. & REGS. ch. 0780-04-03-.01(6)(a).

12. The Respondents failed to maintain fully executed client agreements with their only two (2) clients who are both over the age of sixty-five (65) and who meet the criteria of designated adults, in violation of TENN. CODE ANN. § 48-1-112(a)(2)(B) and (G); TENN. COMP. R. & REGS. ch. 0780-04-03-.02(3)(a)4. and 8.; and TENN. COMP. R. & REGS. ch. 0780-04-03-.02(6)(c)19.

13. The Respondents failed to establish, maintain, and enforce written policies and procedures, in violation of TENN. CODE ANN. § 48-1-112(a)(2)(B) and (G); and TENN. COMP. R. & REGS. ch. 0780-04-03-.02(6)(c)20.

14. The Respondents failed to maintain and provide required records, in violation of TENN. CODE ANN. § 48-1-112(a)(2)(B) and (G); TENN. COMP. R. & REGS. ch. 0780-04-03-.02(3)(a)8., 10., and 11.; and TENN. COMP. R. & REGS. ch. 0780-04-03-.02(6)(c)4. and 26.

15. The Petitioner requested that the maximum civil penalties be assessed, but provided insufficient justification for the assessment of the maximum civil penalties. The Respondents agreed to the termination of their registrations prior to the initiation of this action,

which provides reason not to assess the *maximum* civil penalties requested by the Petitioner. However, civil penalties are warranted for the violations found herein and are awarded as itemized below.

### **JUDGMENT**

1. The investment adviser and investment adviser representative registrations in Tennessee of the Respondents Health & Wealth Management, LLC, and William Michael Hughes are **REVOKED**.

2. The Respondents are jointly **ASSESSED** a civil penalty of one thousand dollars (\$1,000) for failing to meet the minimum net capital requirement, in violation of TENN. CODE ANN. § 48-1-112(a)(2)(B) and TENN. COMP. R. & REGS. ch. 0780-04-03-.01(6)(a).

3. The Respondents are jointly **ASSESSED** a civil penalty of one thousand dollars (\$1,000) for failing to maintain fully executed client agreements with their only two (2) clients who are both designated adults, in violation of TENN. CODE ANN. § 48-1-112(a)(2)(B) and (G); TENN. COMP. R. & REGS. ch. 0780-04-03-.02(3)(a)4. and 8.; and TENN. COMP. R. & REGS. ch. 0780-04-03-.02(6)(c)19.


4. The Respondents are jointly **ASSESSED** a civil penalty of one thousand dollars (\$1,000) for failing to establish, maintain, and enforce written policies and procedures, in violation of TENN. CODE ANN. § 48-1-112(a)(2)(B) and (G); and TENN. COMP. R. & REGS. ch. 0780-04-03-.02(6)(c)20 and for failing to maintain and provide required records, in violation of TENN. CODE ANN. § 48-1-112(a)(2)(B) and (G); TENN. COMP. R. & REGS. ch. 0780-04-03-.02(3)(a)8., 10., and 11.; and TENN. COMP. R. & REGS. ch. 0780-04-03-.02(6)(c)4. and 26.

5. The Respondents shall **PAY** the costs of the investigation, prosecution, and hearing on this matter not to exceed two thousand dollars (\$2,000).

6. This INITIAL ORDER imposing sanctions against the Respondents is entered to protect the public and investors in the State of Tennessee, consistent with the purposes fairly intended by the policy and provisions of the Law.

It is so **ORDERED**.


This INITIAL ORDER entered and effective this the **13th day of December, 2021**.



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MARY M. COLLIER  
ADMINISTRATIVE JUDGE  
ADMINISTRATIVE PROCEDURES DIVISION  
OFFICE OF THE SECRETARY OF STATE

Filed in the Administrative Procedures Division, Office of the Secretary of State, this the **13th day of December, 2021**.



---

STEPHANIE SHACKELFORD, DIRECTOR  
ADMINISTRATIVE PROCEDURES DIVISION  
OFFICE OF THE SECRETARY OF STATE

**NOTICE OF APPEAL PROCEDURES**

**REVIEW OF INITIAL ORDER**

The Administrative Judge's decision in your case **BEFORE THE COMMISSIONER OF THE TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE (COMMISSIONER)**, called an Initial Order, was entered on **December 13, 2021**. The Initial Order is not a Final Order but shall become a Final Order unless:

1. **A Party Files a Petition for Reconsideration of the Initial Order:** You may ask the Administrative Judge to reconsider the decision by filing a Petition for Reconsideration with the Administrative Procedures Division (APD). A Petition for Reconsideration should include your name and the above APD case number and should state the specific reasons why you think the decision is incorrect. APD must **receive** your written Petition no later than 15 days after entry of the Initial Order, which is no later than **December 28, 2021**. A new 15 day period for the filing of an appeal to the **COMMISSIONER** (as set forth in paragraph (2), below) starts to run from the entry date of an order ruling on a Petition for Reconsideration, or from the twentieth day after filing of the Petition if no order is issued. Filing instructions are included at the end of this document.

The Administrative Judge has 20 days from receipt of your Petition to grant, deny, or take no action on your Petition for Reconsideration. If the Petition is granted, you will be notified about further proceedings, and the timeline for appealing (as discussed in paragraph (2), below) will be adjusted. If no action is taken within 20 days, the Petition is deemed denied. As discussed below, if the Petition is denied, you may file an Appeal, which must be **received** by APD no later than 15 days after the date of denial of the Petition. *See* TENN. CODE ANN. §§ 4-5-317 and 4-5-322.

2. **A Party Files an Appeal of the Initial Order:** You may appeal the decision to the **COMMISSIONER** by filing an Appeal of the Initial Order with APD. An Appeal of the Initial Order should include your name and the above APD case number and state that you want to appeal the decision to the **COMMISSIONER**, along with the specific reasons for your appeal. APD must **receive** your written Appeal no later than 15 days after the entry of the Initial Order, which is no later than **December 28, 2021**. The filing of a Petition for Reconsideration is not required before appealing. *See* TENN. CODE ANN. § 4-5-317.
3. **The COMMISSIONER decides to Review the Initial Order:** In addition, the **COMMISSIONER** may give written notice of the intent to review the Initial Order, within 15 days after the entry of the Initial Order.

If either of the actions set forth in paragraphs (2) or (3) above occurs prior to the Initial Order becoming a Final Order, there is no Final Order until the **COMMISSIONER** renders a Final Order.

If none of the actions in paragraphs (1), (2), or (3) above are taken, then the Initial Order will become a Final Order. **In that event, YOU WILL NOT RECEIVE FURTHER NOTICE OF THE INITIAL ORDER BECOMING A FINAL ORDER.**

**STAY**

In addition, you may file a Petition asking the Administrative Judge for a stay that will delay the effectiveness of the Initial Order. A Petition for Stay must be **received** by APD within 7 days of the date of entry of the Initial Order, which is no later than **December 20, 2021**. *See* TENN. CODE ANN. § 4-5-316. A reviewing court also may order a stay of the Final Order upon appropriate terms. *See* TENN. CODE ANN. §§ 4-5-322 and 4-5-317.



**IN THE MATTER OF:  
TENNESSEE DEPARTMENT OF COMMERCE AND  
INSURANCE V. WILLIAM MICHAEL HUGHES : HEALTH  
& WEALTH MANAGEMENT, LLC**

**APD CASE No. 12.06-210355J**

**NOTICE OF APPEAL PROCEDURES**

**NOTICE OF APPEAL PROCEDURES**

**REVIEW OF A FINAL ORDER**

When an Initial Order becomes a Final Order, a person who is aggrieved by a Final Order in a contested case may seek judicial review of the Final Order by filing a Petition for Review “in the Chancery Court nearest to the place of residence of the person contesting the agency action or alternatively, at the person’s discretion, in the chancery court nearest to the place where the cause of action arose, or in the Chancery Court of Davidson County,” within 60 days of the date the Initial Order becomes a Final Order. *See* TENN. CODE ANN. § 4-5-322. The filing of a Petition for Reconsideration is not required before appealing. *See* TENN. CODE ANN. § 4-5-317.

**FILING**

Documents should be filed with the Administrative Procedures Division by email *or* fax:

Email: [APD.Filings@tn.gov](mailto:APD.Filings@tn.gov)

Fax: 615-741-4472

In the event you do not have access to email or fax, you may mail or deliver documents to:

Secretary of State  
Administrative Procedures Division  
William R. Snodgrass Tower  
312 Rosa L. Parks Avenue, 8<sup>th</sup> Floor  
Nashville, TN 37243-1102



**State of Tennessee**  
**Department of State**  
Administrative Procedures Division  
312 Rosa L. Parks Avenue  
8<sup>th</sup> Floor, William R. Snodgrass Tower  
Nashville, Tennessee 37243-1102  
Phone: (615) 741-7008/Fax: (615) 741-4472

**January 13, 2022**

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General Civil - Legal Division  
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Nashville, TN 37243

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Nashville, TN 37205

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**RE: TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE V.  
WILLIAM MICHAEL HUGHES : HEALTH & WEALTH MANAGEMENT, LLC,  
APD Case No. 12.06-210355J**

Enclosed is an *Order*, with an accompanying *Notice of Appeal Procedures*, rendered in this case.

Administrative Procedures Division  
Tennessee Department of State

**IN THE MATTER OF:  
TENNESSEE DEPARTMENT OF  
COMMERCE AND INSURANCE V.  
WILLIAM MICHAEL HUGHES :  
HEALTH & WEALTH  
MANAGEMENT, LLC**

**APD CASE No. 12.06-210355J**

**NOTICE OF APPEAL PROCEDURES**

The Administrative Judge's Order Denying Petition for Reconsideration of the Initial Order was entered on **January 6, 2022**. Pursuant to TENN. CODE ANN. § 4-5-315, the Initial Order shall become a Final Order unless:

1. A party files a written Appeal of the Initial Order with the Administrative Procedures Division (APD) no later than **January 21, 2022**.
2. The agency gives written Notice of its Intent to Review the Initial Order no later than **January 21, 2022**.

If you wish to file an Appeal of the Initial Order, such a written appeal must be filed with APD as indicated below. If one party has already filed an Appeal of the Initial Order, the other party may also file its own Appeal of the Initial Order.

If an Appeal of an Initial Order has already been filed, the record of the case will be transmitted to the agency for review and disposition of the Appeal, pursuant to TENN. CODE ANN. § 4-5-315.

**FILING**

Documents should be filed with the Administrative Procedures Division by email *or* fax:

Email: [APD.Filings@tn.gov](mailto:APD.Filings@tn.gov)

Fax: 615-741-4472

In the event you do not have access to email or fax, you may mail or deliver documents to:

Secretary of State  
Administrative Procedures Division  
William R. Snodgrass Tower  
312 Rosa L. Parks Avenue, 8<sup>th</sup> Floor  
Nashville, TN 37243-1102

**BEFORE THE COMMISSIONER OF THE TENNESSEE DEPARTMENT OF  
COMMERCE AND INSURANCE**

**IN THE MATTER OF:**

**TENNESSEE DEPARTMENT OF  
COMMERCE AND INSURANCE,  
*Petitioner,***

**v.**

**HEALTH & WEALTH MANAGEMENT,  
LLC, *and*  
WILLIAM MICHAEL HUGHES,  
*Respondents.***

**APD Case No. 12.06-210355J**

**ORDER DENYING PETITION FOR RECONSIDERATION OF INITIAL ORDER**

Following a contested case hearing, an INITIAL ORDER was entered on December 13, 2021, finding that the Petitioner, the Tennessee Department of Commerce and Insurance, met its burden of proof by a preponderance of the evidence. On December 28, 2021, the Respondents filed a timely PETITION FOR RECONSIDERATION OF THE INITIAL ORDER, pursuant to TENN. CODE ANN. § 4-5-317. On January 6, 2022, the Petitioner filed a response.

Pursuant to TENN. CODE ANN. § 4-5-317(a), a petition for reconsideration must state the specific grounds upon which relief is requested. In the PETITION FOR RECONSIDERATION OF THE INITIAL ORDER, the Respondents have failed to state sufficient grounds to overturn the findings and conclusions contained in the INITIAL ORDER.

The Respondents first ask for a new hearing because they have now hired an attorney to represent them in this contested case proceeding. By ORDERS issued on February 17, 2021, and April 9, 2021, the Respondents were notified of the right to retain legal counsel in this

administrative proceeding.<sup>1</sup> The fact that the Respondents waited until after the hearing and after the INITIAL ORDER was issued to retain legal counsel does not set forth grounds to grant the petition for reconsideration.

In addition, the Respondents argue that a copy of a check that was improperly submitted after the hearing constitutes evidence sufficient to reconsider the INITIAL ORDER. As noted in footnote 2 of the INITIAL ORDER, “because the evidentiary proof in this matter was closed on July 1, 2021, and Respondent Hughes did not file a motion to reopen the proof in this case, [the Respondent’s September 3, 2021,] email and the attached copy of a check will NOT be considered as evidence in this case.” The Respondents set forth no reason to overturn the exclusion of this emailed copy of a check that was not provided until long after the proof in this matter was closed and was not sent to the Petitioner’s counsel by Mr. Hughes. In addition, the Respondents’ PETITION FOR RECONSIDERATION OF THE INITIAL ORDER fails to set forth an evidentiary basis to demonstrate why, even if the emailed check had been timely submitted evidence, this check would establish that the Respondents had maintained the fifteen thousand dollar (\$15,000) minimum net capital requirement required by TENN. CODE ANN. § 48-1-112(a)(2)(B) and TENN. COMP. R. & REGS. ch. 0780-04-03-.01(6)(a).

The Respondents also argue that fully-executed agreements are contained in the Record of this matter. However, no citation to the Record is made in support of this contention. In contrast, the agreements that were submitted into evidence as HEARING EX. 9 during the hearing are not fully-executed agreements.

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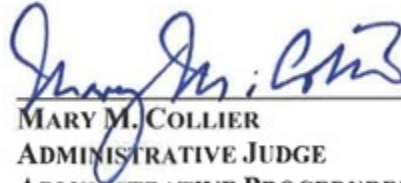
<sup>1</sup> In addition, both the NOTICE OF HEARING filed by the Petitioner on January 26, 2021, and the AMENDED NOTICE OF HEARING filed by the Petitioner on January 27, 2021, informed the Respondents of the right to be represented by an attorney.

Finally, the Respondents argue that the Rules of the Department of Commerce and Insurance are “too vague and overbroad” and “carry no weight.” The Respondents cite no legal authority for this contention.

The PETITION FOR RECONSIDERATION does not provide a sufficient reason to reverse the decision of the INITIAL ORDER. It is concluded that the Respondents have failed to provide any new evidence or legal basis to overturn the findings and conclusions contained in the INITIAL ORDER. Accordingly, the PETITION FOR RECONSIDERATION OF THE INITIAL ORDER is hereby **DENIED**.

It is so **ORDERED**.

This ORDER entered and effective this the **13th day of January, 2022**.

A handwritten signature in blue ink, appearing to read "Mary M. Collier", is written over a horizontal line.

MARY M. COLLIER  
ADMINISTRATIVE JUDGE  
ADMINISTRATIVE PROCEDURES DIVISION  
OFFICE OF THE SECRETARY OF STATE