



STATE OF TENNESSEE
BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE

TENNESSEE SECURITIES DIVISION,)
)
Petitioner.)
)
v.) TSD No.: 17-011
)
JOHN E. BONK and WEALTH INVESTORS, LLC,)
a/k/a MILLIONS FOREVER, LLC,)
)
Respondents.)

CONSENT ORDER

The Tennessee Securities Division (“TSD”) of the Tennessee Department of Commerce and Insurance (“Department”), John E. Bonk, and Wealth Investors, LLC, a/k/a Millions Forever, LLC (“Respondents”) (hereinafter collectively, the “Parties”) agree, by and through their respective counsel, and subject to the approval of the Commissioner of the Department (“Commissioner”), to the entry of this Consent Order (“Order”) in accordance with Section 48-1-116 of the Tennessee Securities Act of 1980, as amended, TENN. CODE ANN. §§ 48-1-101 to 1-201 (2012) (“Act”), which states that the Commissioner may from time to time make such orders as are necessary to carry out the provisions of the Act.

GENERAL STIPULATIONS

1. It is expressly understood that this Order is subject to the Commissioner’s acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. This Order is executed by the Parties for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

3. The Respondents fully understand that this Order will in no way preclude additional proceedings by the Commissioner against the Respondents for acts or omissions not specifically addressed in this Order, or for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. The Respondents fully understand that this Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for the violations of the Act addressed specifically in this Order against the Respondents for violations of the Act under statutes, rules, or regulations of the State of Tennessee that may arise out of the facts, acts, or omissions contained in the Findings of Fact and Conclusions of Law stated herein, or which may arise as a result of the execution of this Order by the Parties.

FINDINGS OF FACT

5. The Act places the responsibility for the administration of the Act on the Commissioner. The TSD is the lawful agent through which the Commissioner discharges the responsibility. TENN. CODE ANN. §§ 48-1-112 and 48-1-115.

6. The TSD is authorized to bring this action based on a finding by the Commissioner that the 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. TENN. CODE ANN. §§ 48-1-116(b).

7. Respondent John E. Bonk ("Bonk") is a resident of Shelby County, Tennessee, with an address of John E. Bonk, 3337 McGinnis Circle, Collierville, TN 38017.

8. Bonk is not currently, and was not at any relevant time, registered with the TSD in any capacity.

9. Respondent Wealth Investors, LLC, a/k/a Millions Forever, LLC, ("Wealth Investors") was a Tennessee limited liability company that is currently inactive.

10. Wealth Investors is not currently registered with the TSD as a broker-dealer, or investment adviser, and has not been registered for at least the last fifteen (15) years.

11. Respondents have not registered any securities or made any notice filings on any security with the TSD for at least the last fifteen (15) years.

12. On or about May 15, 2012, the Pennsylvania Securities Commission issued a Cease and Desist Order requiring Respondents to cease and desist from offering or selling any securities related to Wealth Investors, LLC, in the Commonwealth of Pennsylvania.

13. The reasons for the Cease and Desist Order were findings that, *inter alia*, the Respondents, through company representatives who were not registered in Pennsylvania, solicited Pennsylvania residents who had no previous relationship with the Respondents, offered them unregistered securities, and failed to qualify potential investors as "qualified investors." The Order included a determination that Bonk was an "affiliate" of Wealth Investors, LLC.

14. The securities involved in the transactions giving rise to the Pennsylvania action were not registered with the TSD, were not covered securities within the meaning of the law, and were not exempt from registration with the TSD, in violation of TENN. CODE ANN. § 48-1-104(a).

15. The Respondents cited in the Pennsylvania Order were not registered with the TSD, and were not exempt from registration with the TSD, in violation of TENN. CODE ANN. § 48-1-109(a).

16. The Respondents cited in the Pennsylvania Order made material misrepresentations to the Pennsylvania investors by failing to disclose that they were not registered with the Pennsylvania Securities Commission or the TSD, that the securities that they solicited were not covered securities within the meaning of the law, and were not exempt from registration with the Pennsylvania Securities Commission or TSD in violation of TENN. CODE ANN. § 48-1-121.

17. Respondents, through Counsel, have advised the TSD of their desire to resolve the matter relating to the above-referenced claims.

18. Respondents agree to be permanently barred from any further conduct as a broker-dealer, agent of a broker-dealer, investment adviser, or investment adviser representative from or in the State of Tennessee that violates the provisions of the Act, beginning on the date this Order is executed by the Commissioner for the Department.

19. Respondents agree to be permanently barred from conducting securities transactions that violate the provisions of the Act, on behalf of themselves or others from, in, or into the State of Tennessee.

20. Respondents agree to pay a civil penalty in the amount of five thousand dollars (\$5,000) within five (5) months of the entry of this Order.

21. Respondents expressly agree to waive all further procedural steps and all rights to seek judicial review of, or to otherwise challenge or contest the validity of this Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Order by the Commissioner.

22. Respondents expressly agree to permanently waive any right to a hearing and appeal under TENN. CODE ANN. §§ 4-5-101 *et seq.*, with respect to this Order.

23. Respondents have voluntarily complied and fully cooperated with the investigation by the TSD and with all requests for information.

24. Petitioner alleges facts as stated herein provide sufficient grounds for a finding that the Respondent violated TENN. CODE ANN. §§ 48-1-104(b), 48-1-109(e), and 48-1-121(d).

CONCLUSIONS OF LAW

Pertaining to the Commissioner's Authority to Enforce the Provisions of the Act

25. TENN. CODE ANN. § 48-1-116 provides that the Commissioner may make, promulgate, amend, and rescind such rules, forms and Orders as are necessary to carry out this part 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.

26. TENN. CODE ANN. § 48-1-102(17)(A) of the Act defines a Security in pertinent part as:

any note, stock, treasury stock, bond, debenture, evidence of indebtedness, ... investment contract, ... or, in general, any interest or instrument commonly known as a "security" [.]

Pertaining to the Commissioner's Authority to Enforce the Requirement of Registration of Securities Sold in Tennessee

27. TENN. CODE ANN. § 48-1-104 provides:

- (a) It is unlawful for any person to sell any security in this state unless:
 - (1) It is registered under this part;
 - (2) The security or transaction is exempted under § 48-1-103; or
 - (3) The security is a covered security.

- (b) 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 regulation, rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars (\$10,000) per violation.

Pertaining to the Commissioner's Authority to Require Registration of Securities Sold in Tennessee

28. TENN. CODE ANN. § 48-1-109 provides in pertinent part:
- (a) It is unlawful for any person to transact business from or in this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part...
...
 - (c) It is unlawful for any person to transact business from or in this state as an investment adviser or investment adviser representative unless:
 - (1) The person is registered as an investment adviser or investment adviser representative under this part[.]

Pertaining to Securities Fraud

29. TENN. CODE ANN. § 48-1-121 provides in pertinent part:
- (a) It is unlawful for any person, in connection with the offer, sale or purchase of any security in this state, directly or indirectly, to:
 - (1) Employ any device, scheme, or artifice to defraud;
 - (2) Make any untrue statement of a material fact or 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; or
 - (3) Engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.
 - (b) It is unlawful for any person who receives any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise, in this state, to:
 - (1) Employ any device, scheme, or artifice to defraud the other person;

- (2) Engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person...

...

- (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 regulation, rule or order adopted or issued under this section, in an amount not to exceed five thousand dollars (\$5,000) per violation.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and the waiver by the Respondents of the right to a hearing and appeal under the Tennessee Securities Act and the Tennessee Uniform Administrative Procedures Act, TENN. CODE ANN. §§ 4-5-101 *et seq.*, and the admission by the Respondents of jurisdiction of the Commissioner, the Commissioner finds that Respondents, for the purpose of settling this matter, have agreed to the entry of this Order, and that the following Order is appropriate and in the public interest.

IT IS ORDERED, pursuant to TENN. CODE ANN. § 48-1-116 of the Act, that Respondents:

1. **COMPLY** with the provisions of the Tennessee Securities Act, as amended;
2. **CEASE AND DESIST** in any future conduct in violation of any Rule, Regulation, or Statute under the Act;
3. **SHALL BE PERMANENTLY BARRED** from any further conduct as a broker dealer, agent of a broker-dealer, investment adviser, or investment adviser representative from or in the State of Tennessee that violates the provisions of the Act, beginning on the date this Order is executed by the Commissioner for the Department.
4. **SHALL BE PERMANENTLY BARRED** from conducting securities transactions that violate the provisions of the Act, on behalf of themselves or others from, in, or into the State of

Tennessee.

5. All persons in any way assisting, aiding, or helping the aforementioned Respondents in any of the aforementioned violations of the Act shall **CEASE AND DESIST** all such activities in violation of the Act.

6. **PAY A CIVIL PENALTY** to the State of Tennessee in the total amount of five thousand dollars (\$5,000) in five (5) monthly installments, with the first installment paid at signing of the settlement and the remaining four (4) installments of one thousand dollars (\$1,000) to be paid by the last day of each consecutive month for four (4) months. Payment shall be mailed to:

State of Tennessee
Department of Commerce and Insurance
Legal Division, 8th Floor
Attn: Charles S. Herrell, Attorney
Davy Crockett Tower
500 James Robertson Parkway
Nashville, Tennessee 37243

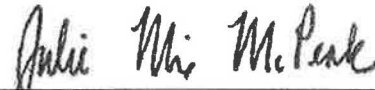
7. If payment is not made according to the terms described above, the TSD may vacate this Order, at its sole discretion, upon ten (10) days' notice to Respondents, and without opportunity for an administrative hearing and proceed with an administrative action.

8. **IT IS FURTHER ORDERED** that this Order represents the complete and final resolution of, and discharge with respect to all administrative and civil claims, demands, actions, and causes of action by the Commissioner against Respondents for violations of the Act alleged by the TSD to have occurred with respect to the transactions involving the above-referenced facts. However, excluded from and not covered by this paragraph, are any claims by the TSD arising from or relating to enforcement of the Order provisions contained herein.

9. This Order is in the public interest and in the best interests of the parties, and

represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, the Respondents and their Counsel affirmatively state that they have freely agreed to the entry of this Order, that they waive the right to a hearing on the matters underlying this Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made to them by the Commissioner, the TSD, or any agent or representative thereof. The parties, by signing this Order, affirmatively state their agreement to be bound by the terms of this 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 Order, are binding upon them.

ENTERED this 29 day of November, 2017.



Julie Mix McPeak, Commissioner
Department of Commerce and Insurance

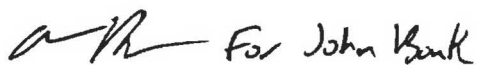
APPROVED FOR ENTRY:



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John E. Bonk, Respondent, individually
and as representative of
Wealth Investors, LLC, Respondent