



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

TENNESSEE SECURITIES DIVISION,)	
)	
Petitioner,)	
)	
v.)	TSD No.: 22-003
)	
BRENT TURNER and)	
BRENT TURNER ADVISORS, LLC,)	
)	
Respondents.)	

CONSENT ORDER

The Securities Division of the Tennessee Department of Commerce and Insurance (“Division”), by and through undersigned counsel, and Brent Turner (“Respondent Turner”) and Brent Turner Advisors, LLC (“Respondent BTA”) (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 discharges the administration of the Act pursuant to Tenn. Code Ann. § 48-1-115.
2. Respondent Turner is a resident of Tennessee, is the owner and chief compliance officer of Respondent BTA. He is registered with the Division with Central Registration Depository number (“CRD #”) 2429805.

3. Respondent BTA maintains its principal place of business in Tennessee and is an investment adviser registered in Tennessee with CRD # 284689.

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. FINDING OF FACTS

10. Respondent BTA registered as an investment adviser in Tennessee on June 8, 2017, with its principal place of business in Tennessee.

11. Respondent Turner registered as an investment adviser representative in Tennessee on June 8, 2017. He is the owner and chief compliance officer of Respondent BTA.

12. On November 13, 2020, the Division opened a routine examination of Respondent BTA.

13. The examination found that the Respondents failed to deliver, in writing, BTA's annual disclosure to sixty (60) clients in 2019, of which, thirty-one (31) were designated adults, and sixty-three (63) clients in 2020, of which, thirty-three (33) were designated adults.

14. The examination found that the Respondents acted as a co-advisor with a third-party money manager but stated in the BTA Form ADV brochure that the Respondents were acting as a solicitor. The Respondents had discussions with clients to determine objectives and collect suitability information, and exercised discretion in the allocation of client funds within the third-party money manager platform.

15. On March 17, 2021, during the course of the examination, the Respondents executed a co-advisor agreement with the third-party money manager.

16. The examination found that the Respondents had multiple inconsistencies in the Form ADV. In the Form ADV Part 1, Portfolio Management Services section, the Respondents indicated no assets under management. However, in the Advisory Business section, under the sub-heading “Educational Seminars”, the Respondents stated that seven million, five hundred twenty thousand, one hundred eighteen dollars (\$7,520,118) in assets were under management. Likewise, in Form ADV Part 2, the Respondents stated no assets were under management, which was inconsistent with Form ADV Part 1.

17. On March 31, 2021, during the examination, the Respondents corrected the inconsistencies in the Form ADV.

18. The examination found that although the Respondents’ written policies and procedures required that they would keep all written client agreements, the Respondents failed to maintain copies of client agreements for two (2) of their seventy (70) clients. The Respondents executed new agreements for the missing two (2) during the course of the examination.

19. The examination found that although the Respondents’ written policies and procedures required that they keep a ledger of income and expenses, the Respondents did not timely produce the ledger when requested during the exam.

IV. CONCLUSIONS OF LAW

20. 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).

21. 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.

22. 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.

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-.02(3)(a)(1.) provides that investment advisers are required to maintain “[l]edgers (or other records) reflecting assets and liabilities, income and expenses, and capital accounts[.]”

25. Tenn. Comp. R. & Regs. 0780-04-03-.02(3)(a)(8.) provides that investment advisers are required to maintain “[c]opies 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[.]”

26. Tenn. Comp. R. & Regs. 0780-04-03-.02(6)(c) provides that it is a “dishonest or

unethical business practice” for an investment adviser to:

11. Misrepresent[] to any advisory client, or prospective advisory client, the qualifications of the investment adviser or any employee of the investment adviser, or misrepresenting the nature of the advisory services being offered or fees to be charged for such service, or omitting to state a material fact necessary to make the statements made regarding qualifications, services, or fees, in light of the circumstances under which they are made, not misleading[.]

27. Tenn. Comp. R. & Regs. 0780-04-03-.10(3)(a) provides that a registered investment adviser must annually deliver or offer to deliver a written disclosure statement to each advisory client or prospective client.

28. Based on the Findings of Fact above, the Respondents failed to maintain copies of all client agreements.

29. Based on the Findings of Fact above, the Respondents failed to timely provide ledgers that reflect all income and expenses.

30. Based on the Findings of Fact above, the Respondents failed to deliver or offer to deliver written disclosures to clients in 2019 and 2020.

31. Based on the Findings of Fact above, the Respondents engaged in dishonest and unethical business practices by failing to disclose that they were acting as a co-advisor and for misrepresenting the assets under management in Respondent BTA’s Form ADV.

32. The Commissioner finds 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.*, 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 two thousand dollars (\$2,000).

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: Jacob R. Strait
500 James Robertson Parkway
Davy Crockett Tower
Nashville, Tennessee 37243**

Failure of the Respondents to make timely payment shall result in the automatic revocation of the Respondents' registrations with the Division.

3. 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.

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

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 July 14, 2022.



Carter Lawrence (Jul 14, 2022 16:01 CDT)
Carter Lawrence, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY AND EXECUTION:


Brent Turner,
Individually, and on behalf of,
Brent Turner Advisors, LLC


Elizabeth Bowling (Jul 13, 2022 19:47 CDT)
Elizabeth Bowling
Assistant Commissioner for Securities
Department of Commerce and Insurance


Scott N. Sherman
Counsel for Respondents


Jacob R. Strait, BPR #032389
Associate General Counsel for Securities
Department of Commerce and Insurance