
*
IN THE MATTER OF: *
*
AE WEALTH MANAGEMENT, LLC *
*
CRD NO. 282580 *
*

STIPULATION AND AGREEMENT

NO. ST-19-10815-S

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act (“Act”) and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”) promulgated under the Act;

WHEREAS, AE Wealth Management, LLC (“AE Wealth”), located at 2950 SW McClure Road, Topeka, Kansas 66614, has been an investment adviser registered with the Securities and Exchange Commission (SEC NO. 801-107319) from February 17, 2016 to the present, and has filed the notice required by Section 36b-6(e) of the Act since March 30, 2017;

WHEREAS, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking, conducted an investigation of AE Wealth pursuant to Section 36b-26 of the Act to determine whether AE Wealth had violated, was violating or was about to violate any provision of the Act or any regulation or order under the Act (“Investigation”);

WHEREAS, in connection with the Investigation, Division staff ascertained that from approximately January 2017 through approximately August 2020, AE Wealth engaged an unregistered

investment adviser agent (the “Agent”) in contravention of Section 36b-6(c)(3) of the Act. Specifically, the Division ascertained that although the Agent resided in Massachusetts and worked primarily out of Massachusetts, the Agent did conduct advisory business out of an office in Connecticut without being registered as an investment adviser agent under the Act;

WHEREAS, soon after Division staff notified AE Wealth of this issue, the Agent became registered as an investment adviser agent of AE Wealth under the Act, and AE Wealth has been cooperative throughout all communications with the Division;

WHEREAS, Section 36b-6(c)(3) of the Act provides, in part, that “[n]o investment adviser shall engage an investment adviser agent unless such investment adviser agent is registered under . . . [the Act]”;

WHEREAS, the Commissioner believes that a violation of Section 36b-6(c)(3) of the Act would support the initiation of administrative proceedings against AE Wealth pursuant to Section 36b-15 and Section 36b-27 of the Act;

WHEREAS, an administrative proceeding initiated under Section 36b-15 and Section 36b-27 of the Act would constitute a “contested case” within the meaning of Section 4-166(4) of the General Statutes of Connecticut;

WHEREAS, Section 4-177(c) of the General Statutes of Connecticut and Section 36a-1-55(a) of the Regulations provide that a contested case may be resolved by stipulation or agreed settlement, unless precluded by law;

WHEREAS, AE Wealth desires to settle the matters described herein and voluntarily enters into this Stipulation and Agreement;

WHEREAS, the Commissioner and AE Wealth acknowledge that this Stipulation and Agreement is in lieu of any court action or administrative proceeding against AE Wealth, its members, officers, employees, agents or representatives adjudicating any issue of fact or law on the matters described herein and is being made to settle only the matters described herein;

WHEREAS, without admitting or denying the allegations contained herein, AE Wealth expressly consents to the Commissioner’s jurisdiction under the Act and to the terms of this Stipulation and Agreement;

WHEREAS, AE Wealth, through its execution of this Stipulation and Agreement, voluntarily waives any rights AE Wealth may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Stipulation and Agreement;

AND WHEREAS, AE Wealth specifically assures the Commissioner that the violation alleged in this Stipulation and Agreement shall not occur in the future.

NOW THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. No later than the date this Stipulation and Agreement is executed by the Commissioner, AE Wealth shall remit to the Department by cashier’s check, certified check or money order made payable to “Treasurer, State of Connecticut” the sum of four thousand eight hundred and seventy five (\$4,875) of which four thousand five hundred (\$4,500) shall constitute an administrative fine, and three hundred and seventy five dollars (\$375) of which shall represent reimbursement for past investment adviser agent registration fees;
2. AE Wealth, its members, officers, representatives, agents, employees, affiliates, and successors in interest shall refrain from engaging, directly or indirectly, in conduct constituting or which would constitute a violation of the Act or any regulation or order under the Act;
3. Execution of this Stipulation and Agreement by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against AE Wealth or its successors in interest based upon a violation of this Stipulation and Agreement or the basis for its entry if the Commissioner determines that compliance is not being observed with the terms hereof; and
4. This Stipulation and Agreement shall become binding when executed by AE Wealth and the Commissioner.

IN WITNESS WHEREOF, the undersigned have executed this Stipulation and Agreement on the dates indicated.

Dated at Hartford, Connecticut
this 18th day of March 2021.

_____/s/_____
Jorge L. Perez
Banking Commissioner

I, Christopher Radford, state on behalf of AE Wealth Management, LLC, that I have read the foregoing Stipulation and Agreement; that I know and fully understand its contents; that I am authorized to execute this Stipulation and Agreement on behalf of AE Wealth Management, LLC; and that AE Wealth Management, LLC agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein.

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AE Wealth Management, LLC

By:

_____/s/_____
Christopher Radford
President

Date: 03/15/2021