

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2021-AH-0027**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

AGREED ORDER

EQUITY ADVISORS OF KENTUCKY, INC.,
BRIAN ANTHONY GUILLIOM,
and FON ROGERS III

RESPONDENTS

STATEMENT OF FACTS

1. The Kentucky Department of Financial Institutions (hereinafter, the "Department") is responsible for administering the provisions of Kentucky Revised Statutes (KRS) Chapter 292, the Securities Act of Kentucky, as well as any applicable rules, regulations, and orders enacted pursuant to the Code.

2. Brian Anthony Guilliom (CRD# 1472349) and Fon Roger III (CRD# 6741511) are currently registered investment adviser representatives on behalf of Equity Advisors of Kentucky, Inc. (CRD# 116398) (hereinafter, "EAK"), a corporation formed under the laws of the Commonwealth of Kentucky, with a principal address at 3060 Waddy Road, Waddy, KY 40076 and registered agent address at 9219 Waddy Road, Waddy, KY 40076.

3. At all times relevant to the facts underlying this matter, Mr. Guilliom and Mr. Rogers were employed by EAK.

4. At the end of 2018, EAK failed to renew the registrations for all of its investment adviser representatives.

5. As a result of EAK's failure to register its investment adviser representatives, the registrations of Mr. Guilliom and Mr. Rogers became ineffective as of January 1, 2019, though EAK and its investment adviser representatives continued transacting business and collecting fees.

6. From January 1, 2019 to July 26, 2019, Mr. Guilliom and Mr. Rogers collectively opened fifty-one (51) new client accounts through TD Ameritrade, Inc. and deducted management fees from these accounts.

7. From January 1, 2019 to July 26, 2019, Mr. Guilliom provided investment advice to twenty-three (23) clients with investment accounts based on documents uploaded to Morningstar, Inc. and entered into forty-three (43) new asset management agreements with investment clients.

8. From January 1, 2019 to July 26, 2019, Mr. Rogers provided investment advice to forty-four (44) clients with investment accounts based on documents uploaded to Morningstar, Inc.

9. From January 1, 2019 to July 26, 2019, due to the above-referenced conduct occurring while Mr. Guilliom and Mr. Rogers were unregistered, EAK therefore continued to employ and/or associate with unregistered investment adviser representatives.

10. On July 17, 2019, EAK's compliance officer contacted the Department to verify the registration status of EAK's investment adviser representatives after noticing the CRD stated they were unregistered.

STATUTORY AUTHORITY

11. KRS 292.310(11) states, in pertinent part,

"Investment adviser" means any person who, for compensation, directly or indirectly, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities.

12. KRS 292.310(12) states, in pertinent part,

"Investment adviser representative" means an individual employed by or associated with an investment adviser or covered adviser and who makes any recommendations or otherwise gives investment advice regarding securities,

manages accounts or portfolios of clients, determines which recommendations or advice regarding securities should be given, provides investment advice or holds himself or herself out as providing investment advice, receives compensation to solicit, offer, or negotiate for the sale of or for selling investment advice, or supervises employees who perform any of the foregoing.

13. KRS 292.330(10) states,

It is unlawful for an investment adviser to employ or associate with an investment adviser representative unless the representative is registered under this chapter or exempt from registration.

14. KRS 292.330(11) states, in pertinent part,

It is unlawful for an individual to transact business in this state as an investment adviser representative unless the individual is registered under this chapter as an investment adviser representative.

15. KRS 292.470 states, in pertinent part,

Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order under this chapter, the commissioner may in his or her discretion bring any or all of the following remedies:

...

- (3) Issue a final order, after notice and an opportunity for a hearing, containing findings of fact and conclusions of law, directing any person or persons found to have engaged in, or about to be engaged in, activity that constitutes a violation of this chapter or any rule or order under this chapter:

(a) To cease and desist from the activity;

(b) To perform any other reasonable mandates directed by the commissioner pursuant to an appropriate remedy fashioned by the commissioner and reasonably calculated to carry out the provisions of this chapter; or

(c) To pay fines assessed under KRS 292.500(14) and costs assessed under KRS 292.500(15).

VIOLATIONS

16. From January 1, 2019 to July 26, 2019, the Respondents Guilliom and Rogers engaged in activities as investment adviser representatives while unregistered with the Department, in contravention of KRS 292.310(11).

17. From January 1, 2019 to July 26, 2019, Respondent EAK employed and/or associated with Mr. Guilliom and Mr. Rogers, unregistered investment adviser representatives, in contravention of KRS 292.330(10).

AGREEMENT AND ORDER

18. To resolve this matter without litigation or other adversarial proceedings, the Department and Respondents agree to compromise and settle all claims arising from the above-referenced factual background in accordance with the terms set forth herein.

19. In the interest of economically and efficiently resolving the violations described herein, it is hereby **AGREED** and **ORDERED**:

- i. Respondent Equity Advisors of Kentucky, Inc. agrees to pay a civil fine in the amount of **ten thousand dollars (\$10,000.00)** for the violations described herein, which shall be due and payable within thirty (30) days of the entry of this Order;
- ii. Respondent Brian Anthony Guilliom agrees to pay a civil fine in the amount of **three thousand dollars (\$3,000.00)** for the violations described herein, which shall be due and payable within thirty (30) days of the entry of this Order;
- iii. Respondent Fon Rogers III agrees to pay a civil fine in the amount of **two thousand five hundred dollars (\$2,500.00)** for the violations described herein, which shall be due and payable within thirty (30) days of the entry of this Order;
- iv. All payments under this Order shall be in the form of an ACH payment made via secure website, pursuant to instructions provided to Respondents, or by a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Securities Division, 2021-AH-0027, 500 Mero Street, Frankfort, Kentucky 40601;

- v. Respondents Brian Anthony Guilliom and Fon Rogers III further agree to have their registrations with Department suspended for a period of thirty (30) days from the entry of this Agreed Order;
- vi. Respondents Brian Anthony Guilliom and Fon Rogers III have the option to serve the above-referenced suspensions concurrently or consecutively with one another, the selection of which shall be made on or before the entry of this Agreed Order and, if the Respondents do not agree upon and affirmatively state a selection by the time this Agreed Order is entered, the time of the suspensions shall default to concurrent suspension times of thirty (30) days for each Respondent;
- vii. Respondents shall cease and desist from any future violations of the Securities Act of Kentucky;
- viii. Respondents waive the right to demand a hearing at which they would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on their behalf, or to otherwise appeal or set aside this Agreed Order;
- ix. Respondents consent to and acknowledge the jurisdiction of the Department over this matter and that this Agreed Order is a matter of public record and may be disseminated as such;
- x. In consideration of execution of this Agreed Order, Respondents for themselves, and for his successors and assigns, hereby release and forever discharge the Commonwealth of Kentucky, the Department, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Respondents ever had, now have, may have or claim to have against any or all of

the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration;

- xi. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties; and
- xii. This Agreed Order shall constitute the Final Order in this matter.

SO ORDERED on this the 12th day of November, 2021.

Is/ Charles A. Vice

CHARLES A. VICE
COMMISSIONER

Charles
A. Vice

Digitally signed by: Charles A. Vice
DN: CN = Charles A. Vice email =
charles.vice@ky.gov C = US O =
Dept. of Financial Institutions OU =
PPC/DFI/Commissioner
Date: 2021.11.12 16:48:40 -05'00'

Consented to:

On behalf of the Department of Financial Institutions,

This 12th day of November, 2021.

Mari R. Gibson

Director, Division of Securities
Department of Financial Institutions

AND

On behalf of Equity Advisors of Kentucky, Inc. and his own behalf,

This 5th day of NOVEMBER, 2021.

Brian R. Guilliom

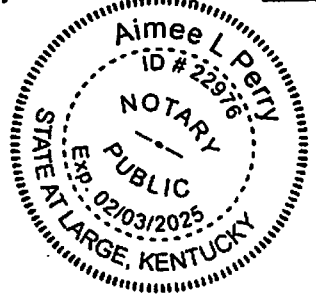
Brian Anthony Guilliom

ACKNOWLEDGEMENT

STATE OF Kentucky)
)
COUNTY OF Shelby)

On this the 5th day of November, 2021, the undersigned did personally appear before me and acknowledged in my presence that, being authorized to do so, he did enter into and execute the foregoing instrument, on behalf of himself and **Equity Advisors of Kentucky, Inc.** for the purposes therein contained.

My Commission Expires: 2-3-2025



Aimee L. Perry
Notary Public

On his own behalf,

This 5th day of November, 2021.

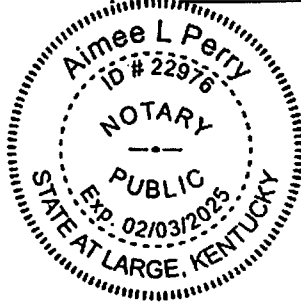
Fon Rogers III
Fon Rogers III

ACKNOWLEDGEMENT

STATE OF Kentucky)
COUNTY OF Shelby)

On this the 5th day of November, 2021, the undersigned did personally appear before me and acknowledged in my presence that, being authorized to do so, he did enter into and execute the foregoing instrument, on behalf of himself, for the purposes therein contained.

My Commission Expires: 2-3-2025



Aimee L Perry
Notary Public

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Agreed Order was sent on this the 15th day of November, 2021 by the method indicated below to the following:

Via certified mail, return receipt requested:

Brian Anthony Guillom
3060 Waddy Road
Waddy, KY 40076
*Respondent and Representative of
Equity Advisors of Kentucky, Inc.*

Fon Rogers III
4853 Wyndurst Road
Lexington, KY 40515
Respondent

Via electronic delivery:

Brandon Adcock, Staff Attorney III
DEPARTMENT OF FINANCIAL INSTITUTIONS
500 Mero Street
Frankfort, KY 40601
brandon.adcock@ky.gov
Counsel for Department of Financial Institutions

Kentucky Department of Financial Institutions

Name: Alison Reid

Title: Executive Staff Advisor