

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
ADMINISTRATIVE ACTION NO. 2018-AH-00035

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v

AGREED ORDER

MANN CAPITAL MANAGEMENT, LLC and
SCOTT C. MANN

RESPONDENTS

STATEMENT OF FACTS

1. The Kentucky Department of Financial Institutions, (“DFI”) is responsible for administering the provisions of Kentucky Revised Statutes (“KRS”) Chapter 292, the Securities Act of Kentucky (“the Act”), as well as any applicable rules and regulations enacted thereunder.

2. Mann Capital Management, LLC (“Mann Capital”), CRD# 139402, is a limited liability company, registered in Kentucky as an investment adviser. Respondent maintains its principal office at 73 Cavalier Blvd, Suite 212, Florence, KY 41042. Scott C. Mann (“Mann”), CRD# 4333296, is the Managing Member of Mann Capital and is registered in Kentucky as an investment adviser representative. Mann Capital and Mann are collectively referred to as “Respondents.”

3. The DFI conducted a routine examination of Respondents on June 27 – 28, 2017.

4. The following major deficiencies were noted:

a. For the period of June 2011 through December 2017, Respondents made multiple false and/or misleading filings through the Investment Adviser Registration Depository

("IARD") and Central Registration Depository ("CRD") systems relating to Mann's four federal tax liens and Chapter 13 bankruptcy.

b. Respondents failed to timely updated Mann Capital's Form ADV and Mann's Form U4 to accurately reflect the status of Mann's Chapter 13 bankruptcy and federal tax lien filings as they occurred.

c. Respondents failed to deliver an accurate and current brochure (Form ADV Part 2A: Firm Brochure or the summary of material changes to the brochure), to each client annually, within 120 days after Mann Capital's fiscal year end.

5. Based upon the facts set forth in paragraphs two (2) through four (4), the DFI has alleged that Respondents violated the Act.

STATUTORY AUTHORITY

6. Pursuant to KRS 292.336(2)(a),

Every registered investment adviser shall file such reports as required by administrative regulation or order under this chapter.

7. Pursuant to KRS 292.336(3),

If the information contained in any document filed is or becomes inaccurate or incomplete in any material respect, then the investment adviser shall promptly file a correcting amendment.

8. Pursuant to KRS 292.440,

It is unlawful for any person to make or cause to be made, in any document filed with the commissioner or the commissioner's designee or in any proceeding under this chapter, any statement which is, at the time and in the light of the circumstances under which it is made, false or misleading in any material respect.

9. Pursuant to 808 Kentucky Administrative Regulation ("KAR") 10:030 Section 5 (1)(b) an investment adviser shall

deliver to each client annually, within 120 days after the end of the investment adviser's fiscal year and without charge:

1. A current brochure; or

2. The summary of material changes to the brochure as required by Item 2 of Form ADV, Part 2A that offers to provide the current brochure without charge, accompanied by the Web site address (if available) and an e-mail address (if available) and telephone number by which a client may obtain the current brochure, and the Web site address for obtaining information about the investment adviser through the Investment Adviser Public Disclosure (IAPD) system;

10. Pursuant to 808 KAR 10:110,

Section 1. (1) Pursuant to KRS 292.336(1)(a), an investment adviser who maintains his principal place of business in Kentucky shall:

(a) Meet the recordkeeping requirements established in 15 U.S.C. 80b-3; and

(b) Maintain his books and records in accordance with the applicable federal regulations, including 17 C.F.R. 275.204-2.

(2) The requirements established in subsection (1) of this section shall apply to an investment adviser subject to the provisions of KRS Chapter 292.

11. The Commissioner possesses a range of administrative authority in addressing violations of the Act, including the imposition of fines up to twenty thousand dollars (\$20,000.00) for each violation of the Act. See KRS 292.470 and KRS 292.500.

12. The Commissioner finds that this Agreed Order is in the public interest.

CONCLUSIONS OF LAW

13. The Respondents violated KRS 292.336.

14. The Respondents violated KRS 292.440.

15. The Respondents violated 808 KAR 10:030.

16. The Respondents violated 808 KAR 10:110.

AGREEMENT AND ORDER

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

18. The DFI and Respondents, in the interest of economically and efficiently resolving this matter, agree as follows:

a. Respondents shall pay a fine in the amount of ten thousand dollars (\$10,000.00) in four equal consecutive monthly payments of two thousand five hundred dollars (\$2,500.00). The first payment is due at the time this Agreed Order is tendered to DFI. All subsequent payments shall be due on or before the 15th calendar day of every subsequent month until paid in full. Failure to make timely payments shall be considered a violation of this agreement.

b. Payments shall be in the form of a certified check or money order made payable to the "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Securities Division – Order, 1025 Capital Center Drive, Suite 200, Frankfort, KY 40601.

c. Respondents shall cease and desist from any further violations of the Act.

19. Respondents waive their 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 own behalf, or to otherwise appeal or set aside this Agreed Order.

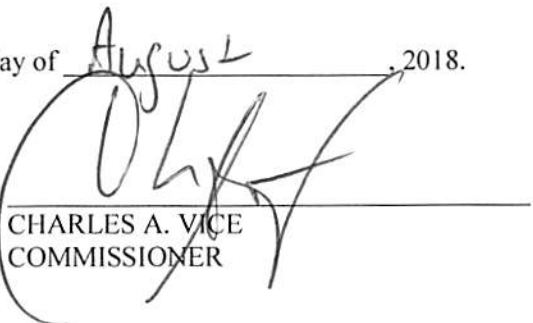
20. Respondents consent to and acknowledge the jurisdiction of the DFI over this matter and that this Order is a matter of public record and may be disseminated as such.

21. In consideration of execution of this Agreed Order, Respondents, for themselves and for their successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the DFI, 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 Agreed Order.

22. 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. This Agreed Order shall constitute the final resolution of this matter.

AGREED on this the 21st day of August, 2018.



CHARLES A. VICE
COMMISSIONER

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Consented to:

This 20th day of August, 2018.

Marni Rock Gibson

Marni-Rock Gibson, Director
Division of Securities
Department of Financial Institutions

AND

This 2nd day of AUGUST, 2018.

Scott C. Mann

Scott C. Mann, CRD# 4333296, Individually and as the Authorized
Representative for Mann Capital Management, LLC, CRD# 139402

ACKNOWLEDGEMENT

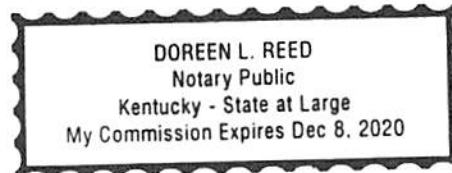
COMMONWEALTH OF KENTUCKY)
COUNTY OF BOONE)

On this 2nd day of AUGUST, 2018, before me DOREEN L. REED

Notary Public, the undersigned, **Scott C. Mann**, did personally appear, acknowledged himself
individually and as the authorized representative of Mann Capital Management, LLC, and that he,
entered into and executed the foregoing instrument for the purposes therein contained.

My Commission Expires: DECEMBER 8, 2020

Doreen L. Reed
Notary Public



CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this Agreed Order was served by certified mail, return receipt request, on:

Mr. Scott C. Mann, Managing Member
Mann Capital Management, LLC -- CRD# 139402
73 Cavalier Blvd, Suite 212
Florence, KY 41042

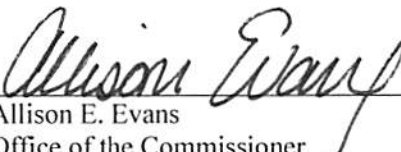
Mr. Scott Mann, CRD# 4333296
73 Cavalier Blvd, Suite 212
Florence, KY 41042

AND

By hand-delivery to:

Hon. Gary W. Adkins
Kentucky Department of Financial Institutions
1025 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601

On this 21 day of August, 2018.



Allison E. Evans
Office of the Commissioner
Kentucky Department of Financial Institutions
1025 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601