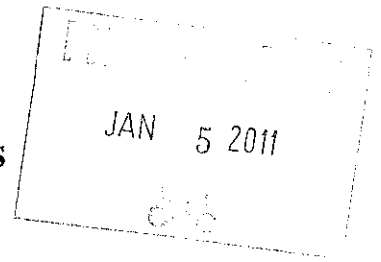


COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2010-AH-1124



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

MARSHALL WEALTH MANAGEMENT, LLC

RESPONDENT

AGREED ORDER

* * * * *

1. The Department of Financial Institutions (“DFI”) is the public agency of the state of Kentucky charged with the enforcement of KRS Chapter 292, the Kentucky Securities Act (“the Act”).

2. Marshall Wealth Management, LLC (“Respondent”) is an investment advisor with its office located at 629 South 4th Street, Suite 302, Louisville, Kentucky 40202. The Respondent has been registered with DFI pursuant to KRS 292.330(8) since February 27, 2003.

3. On July 1, 2010, DFI’s Division of Securities (“the Division”) conducted an examination of Respondent’s office for the purpose of determining whether: (1) the Respondent was in compliance with applicable laws and regulations; (2) its practices and policies had an adverse impact on clients and prospective clients; and (3) it was being operated efficiently, fairly, and in the public interest.

4. In the course of that examination it was discovered that: 1) Respondent lacked written contracts for several clients, in violation of 808 KAR 10:450 Section 2(17); 2) Respondent did not annually offer to each advisory client a written disclosure statement, in violation of 808 KAR 10:030 Section 4; and 3) the Respondent’s financial statements were not

prepared in accordance with generally accepted accounting principles (“GAAP”), as required by KRS 292.500(5).

5. In addition, the exam noted other discrepancies: 1) failure to prepare a true, accurate, and complete Form ADV; 2) failure to maintain evidence of delivery of revised Part II Form ADVs to all clients; 3) failure to prepare advisory contracts that clearly disclose, the services to be provided, the costs and fees associated with the services to be provided and the time period the contract remained in effect; and 4) failure to properly execute advisory contracts for all clients.

6. Pursuant to KRS 292.337(13)(a)7, the Commissioner may deny, suspend or revoke the registration of any investment advisor, if he finds that the order is in the public interest, and the investment advisor has violated a provision of KRS Chapter 292 and/or violated a provision of 808 KAR Chapter 10. KRS 292.500(14) permits the Commissioner to impose a fine of up to twenty thousand dollars (\$20,000) for each violation and an additional twenty thousand dollars (\$20,000) if the violation is directed toward an individual sixty (60) years of age or older. The Commissioner finds that this Agreed Order is in the public interest.

AGREEMENT AND ORDER

The DFI and Respondent, in the interest of economically and efficiently resolving the violations and discrepancies described above, agree as follows:

1. Respondent agrees to a fine assessment in the amount of three thousand five hundred dollars (\$3,500).

2. Respondent agrees to and shall pay the total fine assessed herein of three thousand five hundred dollars (\$3,500), which shall be due on the date Respondent signs the Agreed Order and returns it to DFI. The payment shall be made payable to “Kentucky State Treasurer” and

mailed to the Department of Financial Institutions, Attn: Shaun T. Orme, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

3. Respondent shall prepare a true, accurate, and complete Form ADV and submit a revised Form ADV to the Securities Division through the IARD system. Respondent shall complete this task within thirty (30) days from the date the Commissioner signs the Agreed Order. Respondent shall notify the Securities Division within thirty-one (31) days from the date the Commissioner signs the Agreed Order that the revised Form ADV has been completed.

4. Respondent shall deliver the revised Part II Form ADV to all clients and maintain evidence of delivery. Respondent shall complete this task within thirty (30) days from the date the Commissioner signs the Agreed Order. Respondent shall provide proof of delivery to all clients to the Securities Division within thirty-one (31) days from the date the Commissioner signs the Agreed Order.

5. Respondent shall prepare all advisory contracts in compliance with 808 KAR 10:450 Section 2(17) that clearly discloses the services to be provided, the costs and fees associated with the services to be provided, and the time period the contract remains in effect. Respondent shall complete this task and shall submit the revised advisory contracts to the Securities Division, for approval, within thirty (30) days from the date the Commissioner signs the Agreed Order.

6. Respondent shall obtain properly executed advisory contracts from all clients. Respondent shall complete this task within sixty (60) days from the date the Commissioner signs the Agreed Order.

7. Respondent shall establish written procedures that set forth procedures to: 1) initially deliver the Form ADV to all clients; 2) annually offer the Form ADV to all clients; 3)

upon any material change to the Form ADV, deliver the revised Form ADV to all clients; and maintain evidence of delivery of all Form ADVs to all clients. Respondent shall complete this task and shall submit the written procedures to the Securities Division, for approval, within sixty (60) days from the date the Commissioner signs the Agreed Order.

8. Respondent shall establish written procedures that ensure properly executed advisory contracts are obtained from all clients prior to providing advisory services and maintain evidence of delivery of such contracts. Respondent shall complete this task and shall submit the written procedures to the Securities Division, for approval, within sixty (60) days from the date the Commissioner signs the Agreed Order.

9. Respondent shall establish written procedures to ensure that financial statements and general ledgers are true, accurate and current. The procedures shall provide that financial statements and general ledgers are prepared in accordance with generally accepted accounting principles and that the Respondent shall be in compliance with the capital requirements at all times. Respondent shall complete this task and shall submit the written procedures to the Securities Division, for approval, within sixty (60) days from the date the Commissioner signs the Agreed Order.

10. Respondent understands that any failure to comply with any provision of this Agreed Order may result in further administrative action taken by DFI.

11. Respondent shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in the Act and the regulations set forth in 808 KAR Chapter 10.

12. Respondent waives its right to demand a hearing at which Respondent would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on its own behalf, or to otherwise appeal or set aside this Order.

13. Respondent consents to and acknowledges the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

14. In consideration of execution of this Agreed Order, Respondent for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, 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 Respondent ever had, now has, 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.

15. 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.

16. This Agreed Order shall constitute the Final Order in this matter.

IT IS SO ORDERED on this the 11th day of JANUARY, 2010.



CHARLES A. NICE
COMMISSIONER

Consented to:

This 21 day of DECEMBER, 2010.

This 4th day of Jan, 2010.
2011

Shonita Bossier

Shonita Bossier, Director
Division of Securities
Department of Financial Institutions

James Marshall

James Marshall
President
Marshall Wealth Management, LLC

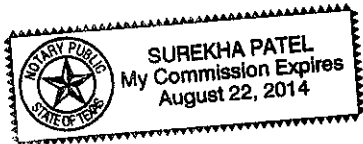
ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF FORT BEND)

On this the 4th day of JANUARY, 2011, before me SUREKHA PATEL, the undersigned, **James Marshall**, did personally appear and acknowledge himself to be the President of Marshall Wealth Management, LLC, and that he, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: Aug-22-2014

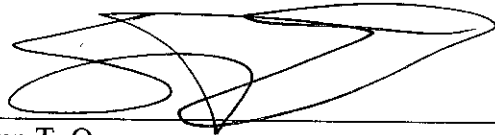


Surekha Patel
Notary Public

Certificate of Service

I, Shaun T. Orme, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 18th day of January, 2010, by certified mail, to the following:

James Marshall
President
Marshall Wealth Management, LLC
629 South 4th Street, Ste. 302
Louisville, KY 40202



Shaun T. Orme
Department of Financial Institutions
1025 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601
502-573-3390 ext. 282 (phone)
502-573-2183 (facsimile)