



**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2022-AH-0025**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

AGREED ORDER

WELLINGS INCOME FUND IV, LLC

RESPONDENT

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. Respondent Wellings Income Fund IV, LLC is a Virginia limited liability company. Their principal address is 14805 Forest Road, Suite 203, Forest, VA 24551.

4. DFI opened an investigation into activities of the Respondent after the Licensing & Registration Branch received notice on March 25, 2022, from the NASAA Electronic Filing Depository, of a Form D filed on behalf of the firm.

5. Upon review of the notice and further investigation, DFI determined the first sale of a covered security by the firm in the state of Kentucky occurred on February 6, 2022.

STATUTORY AUTHORITY

6. KRS 292.327(2) states: [t]he commissioner shall require the filing of, with respect to any security that is a covered security under Section 18(b)(4)(D) of the Securities Act of 1933, a notice on SEC Form D, a two hundred fifty dollar (\$250) filing fee, and a consent to service of

process signed by the issuer no later than fifteen (15) days after the first sale of such covered security in this state.

7. The Commissioner possesses a range of administrative authority in addressing violations of the Act, including the imposition of civil fines up to twenty thousand dollars (\$20,000.00) for each violation of the Act. *See* KRS 292.337 and KRS 292.500(14).

8. KRS 292.470 states: [w]henver 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

9. Based on the facts set forth above, the Respondent violated KRS 292.327(2) by failing to file a notice on SEC Form D, along with failing to provide a two hundred fifty-dollar

(\$250) filing fee and a consent to service of process signed by the issuer, within fifteen (15) days after the first sale of a covered security in this state.

AGREEMENT AND ORDER

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

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

- a. Respondent agrees to pay a civil fine in the amount two thousand dollars (\$2,000) for the violations described herein, which shall be due and payable within thirty (30) days of the entry of this Order;**
- b. All payments under this Order shall be in the form of an ACH payment made via secure website, pursuant to instructions provided to Respondent, or by a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Securities Division, 2022-AH-0025, 500 Mero Steet, Frankfort, Kentucky 40601;**
- c. Respondent shall cease and desist from any future violations of the Securities Act of Kentucky;**
- d. Respondent waives 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;**

- e. Respondent 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;
- f. In consideration of execution of this Agreed Order, Respondent for themself, and for their successors and assigns, hereby releases 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 Respondent 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;
- g. By signing below, the parties acknowledge they have read the foregoing Agreed Order, 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
- h. This Agreed Order shall constitute the Final Order in this matter.

IT IS SO ORDERED on this the 6th day of February, 2023.

Marni Rock Gibson

JUSTIN M. BURSE
ACTING COMMISSIONER
Acting Deputy Commissioner
Signing on behalf of Commissioner

Consented to:

On behalf of the Department of Financial Institutions,

This 6th day of February, 2023.

Chad Harlan

Director
Division of Securities
Department of Financial Institutions

AND

On behalf of Respondent,

This 2 day of February, 2023.

Michael Niederer *Wendell Korman*

Authorized Representative
Wellings Income Fund IV, LLC

ACKNOWLEDGEMENT

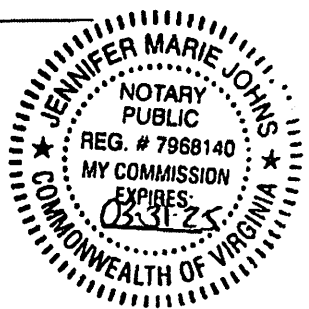
STATE OF Virginia)
)
COUNTY OF Campbell)

On this the 2 day of February, 2023, before me Jennifer Marie Johns
the undersigned, Michael Niederer did personally appear and acknowledge
himself/herself to be the authorized representative of Wellings Income Fund IV, LLC. and that
he/she, being authorized to do so, entered into and executed the foregoing instrument for the
purposes therein contained.

My Commission Expires: 03/31/2025

Jennifer Marie Johns

Notary Public



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Agreed Order was sent on this the 7 day of February, 2023, by certified mail, return receipt requested, to:

Wellings Income Fund IV, LLC
14805 Forest Road
Suite 203
Forest, VA 24551
Representative on behalf of Respondent

And by electronic delivery to:

Kathryn Adams-Cornett
Department of Financial Institutions
500 Mero Street, 2SW19
Frankfort, KY 40601
Counsel for Department of Financial Institutions

Kentucky Department of Financial Institutions

Name: Allison Reed by Victoria Word

Title: Executive Staff Advisor