



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
 )  
CAPITAL-E ADVISORS, LLC, ) Case No. AP-19-09  
CRD #297820, )  
Respondent. )

**CONSENT ORDER**

**SUMMARY OF SECURITIES DIVISION’S ALLEGATIONS**

1. The Missouri Securities Division of the Office of Secretary of State (“Securities Division”), through Director of Enforcement Steven C. Reed, has alleged that Capital-E Advisors, LLC (“Capital-E” or “Respondent”), transacted business in the state of Missouri without being registered or exempt from registration in violation of Section 409.4-403(a),<sup>1</sup> and that this constitutes grounds to issue an order in accordance with Section 409.6-604.
2. Respondent and the Securities Division desire to settle the allegations and the matters raised by the Securities Division relating to the Respondent’s alleged violations of Sections 409.4-403.

**CONSENT TO JURISDICTION**

3. Respondent and the Securities Division stipulate and agree that the Missouri Commissioner of Securities (“the Commissioner”) has jurisdiction over Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondent and the Securities Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

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<sup>1</sup> Unless otherwise specified, all statutory references are to the 2016 Revised Statutes of Missouri.

WAIVER AND EXCEPTION

5. Respondent waives its rights to a hearing with respect to this matter.
6. Respondent waives any rights that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent stipulates and agrees with the Securities Division that, should the facts contained herein prove to be false or incomplete, the Securities Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

8. Respondent and the Securities Division stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent's (a) testimonial obligations; (b) right to take legal or factual positions in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that it is not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent neither admits nor denies the allegations made by the Securities Division or the Findings of the Commissioner, but consents to the Commissioner's Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

THE COMMISSIONER'S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

12. Capital-E is a Kansas-based investment adviser with an address of 7221 W. 79<sup>th</sup> St., Overland Park, Kansas 66204-2915. Capital-E is registered with the State of Kansas and the Central Registration Depository ("CRD") system with number 297820.
13. On March 29, 2019, Capital-E sent an application to register as an investment adviser in Missouri, along with accompanying fees and documentation.

14. On April 1, 2019, the Securities Division issued a Summary Suspension Order related to Captial-E's application.
15. The Securities Division's review, and disclosures by Capital-E related thereto, revealed that Capital-E had transacted business in Missouri as an investment adviser without the benefit of registration at the same for more than five Missouri clients from October 2, 2018, up to the time of its March 29, 2019, application.

## II. CONCLUSIONS OF LAW

16. The Commissioner concludes that Respondent transacted business as an unregistered investment adviser in violation of Sections 409.4-403(a) and employed unregistered investment adviser representatives in this state in violation of Section 409.4-403(d), and that these violations constitute grounds to issue an order pursuant to Section 409.6-604.
17. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondent and the Securities Division, finds and concludes that the Commissioner has jurisdiction over Respondent in this matter and that the following order is in the public interest, necessary for the protection of public investors, and consistent with the purposes intended by Chapter 409.

## III. ORDER

**NOW, THEREFORE,** it is hereby Ordered that:

1. Respondent, its agents, employees and servants, and all other persons participating in the above-described violations with knowledge of this order are permanently enjoined and restrained from violating Section 409.4-403(a);
2. Respondent is ordered to pay \$12,000 to the Missouri Secretary of State Investor Education and Protection Fund. Respondent shall pay \$6,000 within 30 days of this Consent Order, to be sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101, and shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund. The Securities Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund;
3. Respondent's payment of the remaining \$6,000 is suspended, and provided Respondent complies with the terms of this Consent Order for two (2) years from the date of this Order, the suspended \$6,000 payment shall be fully and finally waived. This payment shall become immediately due upon the sooner of (1) Respondent's noncompliance with the terms of the Consent Order or (2) a finding, after notice and opportunity for a hearing, by the Commissioner, the Missouri Administrative Hearing Commission, or a court of competent jurisdiction that Respondent has violated the Missouri Securities Act. Such immediately due payment shall be in addition to all other penalties then available under the law; and

4. Respondent shall pay its own costs and attorneys' fees with respect to this matter.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,  
MISSOURI THIS 3rd DAY OF JUNE, 2019.



JOHN R. ASHCROFT  
SECRETARY OF STATE

David M. Minnick  
DAVID M. MINNICK  
COMMISSIONER OF SECURITIES

Consented to by:

Steven C. Reed  
THE ENFORCEMENT SECTION OF THE  
MISSOURI SECURITIES DIVISION

Steven C. Reed  
Director of Enforcement

RESPONDENT

CAPITAL-E ADVISORS, LLC

By: Regan Ervin  
Name: Regan Ervin  
Title: Principal