



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
)  
WEALTHCARE, LLC, CRD No. 170382; and ) Case No. AP-16-31  
JAMES BARRY WATTS, CRD No. 2482375, )  
)  
*Respondents.* )

**CONSENT ORDER**

**SUMMARY OF ENFORCEMENT SECTION’S ALLEGATIONS**

1. The Missouri Securities Division of the Office of Secretary of State (“Division”), through Enforcement Counsel Scott Snipkie, has alleged that WealthCare, LLC, (“WealthCare”) violated Section 409.4-412(d)(8), RSMo (Cum. Supp. 2013)<sup>1</sup> by impeding an audit or inspection under Section 409.4-411(d).
2. Respondents and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to Respondent WealthCare’s alleged violations.

**CONSENT TO JURISDICTION**

3. Respondents and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“Commissioner”) has jurisdiction over the Respondents and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondents and the Enforcement Section 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 noted, all statutory references are to the 2013 cumulative supplement to the Revised Statutes of Missouri.

WAIVER AND EXCEPTION

5. Respondents waive Respondents, right to a hearing with respect to this matter.
6. Respondents waive any right that Respondents 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. Respondents stipulate and agree with the Enforcement Section that, should the facts contained herein prove to be false or incomplete in a material way, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

8. Respondents and the Enforcement Section 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. Respondents agree 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 Respondents' (a) testimonial obligations; (b) right to take legal or factual positions in connection with litigation, arbitration, or other legal proceeding in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondents agree that Respondents are not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondents neither admit nor deny the allegations made by the Enforcement Section, but consent 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.

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

I. FINDINGS OF FACT

12. On July 20, 2016, at approximately 10:30 a.m., the Exams Team arrived at the offices of Wealthcare to conduct an unscheduled examination of the books and records of the firm.
13. The Exams Team was met in the reception area by a person identifying himself as John Peterson.

14. John Peterson informed the Exams Team that he was an employee of Wealthcare.
15. The Exams team informed John Peterson of the purpose of the visit, provided him with their credentials and asked to meet with Watts.
16. John Peterson, based on instruction contained in the firm's compliance manual provided by Red Oak Compliance, informed the Exams Team that Watts was out of the country and that no one was authorized to provide access to the books and records of the firm.
17. Based upon the information from John Peterson, the WealthCare employee on site, the Exams Team understood they would not be given access to the firm's books and records; they departed and returned to the Securities Division.

## II. CONCLUSIONS OF LAW

18. The Commissioner finds that Respondent Wealthcare, by refusing access to the firm's books and records, impeded an audit under Section 409.4-411(d) and thereby violated Section 409.4-412(d)(8).
19. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondents and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondents and 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 WealthCare, 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 409.4-412(d)(8) by refusing or impeding the commissioner from conducting an audit or inspection under Section 409.4-411(d);
2. Respondent WealthCare's registration is hereby CENSURED;
3. Respondent WealthCare is ordered to pay five thousand dollars (\$5,000) to the Investor Education and Protection Fund within 30 days of the date of this Order. Such payment shall 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 Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund; and,
4. Respondents shall pay their 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 28<sup>th</sup> DAY OF September, 2016.



JASON KANDER  
SECRETARY OF STATE

*Andrew M. Hartnett*

ANDREW M. HARTNETT  
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

*[Signature]*  
Scott Snipkie  
Enforcement Counsel

RESPONDENT'S

WEALTHCARE, LLC

BY: *J. Barry Watts*

NAME: *J. Barry Watts*

TITLE: *Chief Compliance Officer*

*[Signature]*  
J. Barry Watts

Approved as to Form:

*[Signature]*  
Joe Soraghan