

## STATE CORPORATION COMMISSION

AT RICHMOND, FEBRUARY 4, 2021

*Document Control Center 02/04/21@2:23PM*COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2020-00039

STRATEGIC WEALTH PARTNERS, LLC,  
and  
DAVID C. VOGT,  
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Strategic Wealth Partners, LLC ("Strategic Wealth") and David C. Vogt ("Vogt") (collectively, the "Defendants") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

Strategic Wealth is a Virginia limited liability company formed on February 1, 2011 that became inactive as of May 31, 2019. Vogt is the managing member of Strategic Wealth, which had a registered office at 3225 Graham Road, Falls Church, Virginia 22042. Vogt is registered in Virginia as an investment advisor representative and is Strategic Wealth's sole investment advisor representative. Vogt has been registered with the Division as an investment advisor representative since May 4, 2011 and he currently resides in Colorado. Strategic Wealth's last known address is 1075 Spruce Mountain Road, Cotopaxi, Colorado 81223.

Based on the investigation, the Division alleges the Defendants violated § 13.1-502 (2) of the Act by obtaining money, in the offer and sale of securities, by means of making untrue statements of material fact. The Division also alleges the Defendants violated § 13.1-502 (2) of

the Act by omitting to state a material fact necessary to make statements made, in the light of the circumstances under which they were made, not misleading. From June 2011 to February 2014, the Defendants operated a private placement offering by the name of Black Diamond Investment Partners ("Black Diamond"). Black Diamond was offered to existing investment advisory clients of Strategic Wealth. Two classes in Black Diamond were labeled as "conservative" and described as such in language in the Black Diamond Private Placement Memorandum ("PPM"). Despite the label and the description of these classes being "conservative" the Defendants made regular short sales and used options and margins which are aggressive trade strategies that can cause clients to incur losses greater than the amount originally invested.

The Division further alleges the Defendants violated 21 VAC 5-80-200 A 1 of the Commission's Rules Governing Investment Advisors, 21 VAC 5-80-10 *et seq.*, by recommending to two (2) clients that they purchase securities (investing approximately half their liquid net worth) without reasonable grounds to believe that such recommendations were suitable for the clients based on the information known to or acquired by the Defendants.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 (A) of the Act to impose a civil penalty; by § 13.1-521 (C) of the Act to order the defendant make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations made herein but admit to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will withdraw their respective Virginia registrations by May 1, 2021;

(2) Strategic Wealth will not re-apply for registration in Virginia;

(3) Vogt will not re-apply for registration in Virginia for a period of five (5) years from the date of entry of this Settlement Order:

- a. If, after five (5) years from the date of entry of this Settlement Order, Vogt applies for registration in Virginia, he will not apply as an investment advisor representative for a registered firm he controls.

(4) The Defendants, contemporaneously with the entry of this Order, will pay to the Treasurer of Virginia the amount of Fifteen Thousand Dollars (\$15,000) in monetary penalties;

(5) The Defendants, contemporaneously with the entry of this Order, will pay to the Treasurer of Virginia the amount of Five Thousand Dollars (\$5,000) to defray the costs of investigation in this matter; and

(6) The Defendants are permanently enjoined from violating the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

A COPY hereof shall be sent by the Clerk of the Commission by electronic mail to: David C. Vogt, President and Managing Member, Strategic Wealth Partners, LLC, at [david@strategicwealth.us](mailto:david@strategicwealth.us); and a copy shall be delivered to the Commission's Office of General Counsel and the Division of Securities and Retail Franchising.

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ADMISSION AND CONSENT

Strategic Wealth Partners, LLC and David C. Vogt (collectively, the "Defendants") admit to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof, and neither admit nor deny the allegations made herein by the Division of Securities and Retail Franchising, hereby consent to the form, substance and entry of the foregoing Settlement Order ("Order").

The Defendants further state that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, subordinate, employee, agent or representative thereof in consideration of the foregoing Order.

Strategic Wealth Partners, LLC

Date: 2/1/21

By: David Vogt

Its: President

David C. Vogt

Date: 2/1/21

  
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