

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, MARCH 5, 2021

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2020-00059

FIRST COMMAND ADVISORY SERVICES, INC.,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of First Command Advisory Services, Inc. ("First Command" or "Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

First Command is an investment advisory firm, registered with the United States Securities and Exchange Commission on July 28, 2005, and notice filed with Virginia the same day. First Command's principal office address is 1 FirstComm Plaza, Fort Worth, Texas 76109. First Command provides investment advisory services to clients and has offices throughout the United States, including Virginia.

Based on the investigation, the Division alleges the Defendant violated § 13.1-504 C of the Act by employing an investment advisor representative in Virginia who was not registered with the Division from October 2019 to present. First Command attempted to register him as an investment advisor representative in July 2020, but the Division put the registration in "pending" status. On or about October 1, 2019, First Command transferred this individual from Kansas to Virginia to become the District Advisor of First Command's Woodbridge, Virginia office location. The individual was registered as a broker-dealer agent in Virginia on July 24, 2019. However, First Command failed to apply for this individual's investment advisor representative

registration in Virginia until July 10, 2020. First Command has allowed the individual to act and operate as an investment advisor representative (IAR) from October 2019 to present, during which time the individual supervised other registered IARs at First Command's Woodbridge, Virginia office and collected compensation for (1) certain clients in Virginia who, temporarily, were not assigned to other registered IARs and (2) seven (7) preexisting clients in Kansas with fifteen (15) accounts.

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 Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters arising from this allegation, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) The Defendant, contemporaneously with the entry of this Order, will pay to the Treasurer of Virginia the amount of Twenty Thousand Dollars (\$20,000) in monetary penalties;

(2) The Defendant, contemporaneously with the entry of this Order, will pay to the Treasurer of Virginia the amount of Five Hundred Dollars (\$500) to defray the costs of investigation in this matter; and

(3) The Defendant is permanently enjoined from violating the Act in the future.

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

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

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.
- (3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

A COPY hereof shall be sent by the Clerk of the Commission by electronic mail to:
Brian Rubin, Esquire, Counsel for First Command Advisory Services, Inc., at
brianrubin@eversheds-sutherland.com; and a copy shall be delivered to the Commission's Office of General Counsel and the Division of Securities and Retail Franchising.

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

COMMONWEALTH OF VIRGINIA, *ex rel.*

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FIRST COMMAND ADVISORY SERVICES, INC.,
Defendant


ADMISSION AND CONSENT

First Command Advisory Services, Inc. ("Defendant") admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof, and neither admits nor denies the allegation made herein by the Division of Securities and Retail Franchising, hereby consents to the form, substance and entry of the foregoing Settlement Order ("Order").

The Defendant further states 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.

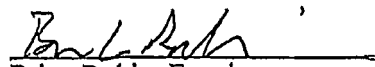
Date: February 25, 2021

First Command Advisory Services, Inc.


By: Murtaza A. Sardharwala

Its: Vice President

Seen and Approved by:


Brian Rubin, Esquire

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