

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JULY 15, 2022

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2022-00015

INDEPENDENT FINANCIAL PLANNING, LLC,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Independent Financial Planning, LLC ("IFP" or "Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

IFP is a Virginia limited liability company with a principal office address at 1930 Isaac Newton Square, Suite 205, Reston, Virginia, 20190. IFP is an investment advisory firm that provides investment advisory services to clients. IFP has been registered with the Division as an investment advisor since November 13, 2014.

Based on its investigation, the Division alleges that from late 2019 until July 6, 2020, IFP advised its Virginia clients ("Investors") to buy EPUS Fund2020, LP ("Fund2020") partnership units. The Division alleges that as a result of these sales, IFP received three (3) years of advisory fees up front from Fund2020's exempt reporting advisor. The Division alleges that IFP violated Rule 21 VAC 5-80-200 A 10 of the Commission's rules regarding investment advisors, 21 VAC 5-80-10 *et seq.* ("Rules"), by charging the Investors advance advisory fees that were unreasonable in light of the fees charged by other investment advisors or federal covered advisors providing essentially the same services. The Division further alleges that when IFP

received fees in advance, it also took custody of those fees without entering into custodial arrangements, in violation of Rule 21 VAC 5-80-146 B.

If any provisions of the Act or Rules 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 certain civil penalties; by § 13.1-521 C of the Act to order a defendant to 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 Settlement Order ("Order").

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

(1) The Defendant, within thirty (30) days of the entry of this Order, will pay a total amount of Thirteen Thousand Five Hundred Dollars (\$13,500) in restitution to the Investors, in proportion to the amount each Investor invested;

(2) The Defendant, within sixty (60) days of the entry of this Order, will provide the Division with proof of the restitution payments to the Investors as outlined above in Item (1);

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

(4) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Two Thousand Dollars (\$2,000) to defray the costs of investigation in this matter; and

(5) The Defendant will not violate the Rules or the Act in the future.

The Division has accepted the Defendant's settlement offer and recommended that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the settlement should be, and is hereby, accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The settlement is accepted.
- (2) The Defendant shall fully comply with the terms of the 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 Defendant's failure to comply with the terms of the settlement.

A COPY hereof shall be sent by the Clerk of the Commission to:
Independent Financial Planning, LLC, 1930 Isaac Newton Square, Suite 205, Reston, Virginia 20190; 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

22072043

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2022-00015

INDEPENDENT FINANCIAL PLANNING, LLC,
Defendant


ADMISSION AND CONSENT

Independent Financial Planning, LLC ("Defendant") admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof and, without admitting nor denying the allegations 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.

Independent Financial Planning, LLC

Date: June 8, 2022

By: 

Its: Managing Director