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BEFORE THE ARKANSAS SECURITIES COMMISSIONER ARKANSAS SECURITIES DEP

CASE NO. S-19-0014

ORDER NO. S-19-0014-19-OR01

IN THE MATTER OF:

DAVID BUTLER, APPLICANT

RESPONDENT

ORDER GRANTING CONDITIONAL REGISTRATION

This Order is entered pursuant to the Arkansas Securities Act, codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509 (“Act”), the Rules of the Arkansas Securities Commissioner (“Rules”) promulgated under the Act, and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201 through 25-15-219.

FINDINGS OF FACT

1. On November 20, 2018, the Arkansas Securities Commissioner (“Commissioner”) received an application for registration from David M. Butler (“Butler”), CRD # 5876965, to be an investment adviser representative with EGP Wealth Management, LLC (“EGP”), CRD # 298338, a state registered investment adviser firm.

2. The Staff of the Arkansas Securities Department (“Staff”) reviewed Butler’s application along with disclosures, which included two customer complaints and one termination. The termination from his previous employer stated that Butler used poor judgment and attempted to settle a customer complaint away from the firm. The Staff’s investigation into Butler’s termination from his previous firm revealed that Butler engaged in preliminary discussions with a customer about resolving a complaint without first reporting the matter to the firm.

3. Based on Butler’s disclosures and the Staff’s investigation, the Staff recommends that Butler’s registration with EGP be conditioned, for a period of one year, upon EGP providing heightened supervision of Butler’s activities.

CONCLUSIONS OF LAW

4. Ark. Code Ann. § 23-42-302(a)(2) provides in part that the Commissioner may by order approve a limited registration with such limitations, qualifications, or conditions as the commissioner deems appropriate.

5. Rule 308.02(y) of the Rules requires registrants to observe just and equitable principles of trade in the conduct of their business. Butler violated this Rule when he engaged in preliminary settlement discussions with a customer about a complaint without first notifying his firm, as set forth above in Paragraph 2.

ORDER

The application of David M. Butler for registration as an investment adviser representative with EGP is hereby approved, but is made conditional upon the following:

(a) Butler shall pay a fine to the Department in the amount of \$3,000 upon the entry of this Order;

(b) All provisions of the attached Heightened Supervision Plan shall be carried out by all parties thereto;

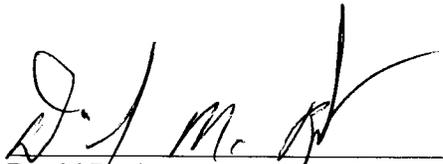
(c) Any failure by Butler to adhere to the provisions of this Order may result in additional disciplinary action, including fine, suspension, and/or termination of Butler's registration in Arkansas as an investment adviser representative.

IT IS SO ORDERED, this the 14th day of Feb, 2019.



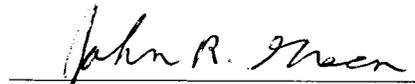
B. Edmond Waters
Arkansas Securities Commissioner

Feb 14, 2019
Date



David Butler

I understand and agree to accept the responsibility of performing the above-described supervision.



John R. Green