

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO S-09-002  
ORDER NO. S-09-002-10-CO02

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ARKANSAS SECURITIES DEPT.

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IN THE MATTER OF:  
CONCERT WEALTH MANAGEMENT, INC.

RESPONDENT

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**CONSENT ORDER**

This Consent 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 in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and Concert Wealth Management, Inc. (“Concert”) in full and final settlement of all claims that could be brought against Concert by the Staff on the basis of the facts set forth herein.

Concert admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”) waives its right to a formal hearing and appeal, without admitting or denying the findings of facts made herein, consents to the entry of this order, and agrees to abide by its terms in settlement of any possible violations committed by Concert concerning the matters detailed in this order.

**FINDINGS OF FACT**

1. Concert is a United States Securities and Exchange Commission registered investment adviser, Central Registration Depository (“CRD”) number 141253.

2. Representative of the investment adviser one (“RIA1”) at all relevant times was an independent contractor at Concert’s branch office located in Little Rock, Arkansas. RIA1 first became registered by the Department as the representative of the investment adviser at Concert on February 5, 2010. On January 25, 2010, RIA1 began RIA1’s business relationship with Concert under an Arkansas corporation, Sage Wealth Management. On January 28, 2010, Concert submitted an application to the Arkansas Securities Department (“Department”) through the CRD system to register RIA1 as an Arkansas representative of Concert. Due to the initial failure of Concert and/or RIA1 to properly answer two disclosure questions on RIA1’s application, RIA1’s application to be a registered representative of Concert in Arkansas was not approved by the Department until February 5, 2010.

3. On January 28, 2010, due to a clerical error, Concert on behalf of RIA1 mailed a solicitation letter signed by RIA1 along with attached account application and transfer documents to 42 prospective Arkansas clients. Each letter was a solicitation sent by Concert to a prospective Arkansas investment advisory client of RIA1, prior to the time when RIA1 was properly registered by the Department to do business as a representative of the investment adviser in Arkansas.

4. RIA1 was an independent contractor for Concert at the time of the events detailed in ¶ 3.

#### APPLICABLE LAW

5. Ark. Code Ann. § 23-42-301(c) states that it is unlawful for any person to transact business in this state as an investment adviser or representative without first being registered under this chapter.

6. Ark. Code Ann. § 23-42-308(g) provides that the Commissioner may fine any investment adviser up to a maximum of ten thousand dollars for each separate violation of this chapter.

7. Ark. Code Ann. § 23-42-308(h) provides that nothing in this section shall prohibit or restrict the informal disposition of a proceeding or allegation which might give rise to a proceeding by stipulation, settlement, consent, or default, in lieu of a formal or informal hearing on the allegations or in lieu of the sanctions authorized by this section.

#### CONCLUSIONS OF LAW

8. In violation of Ark. Code Ann. § 23-42-301(c) Concert unintentionally solicited 42 Arkansas residents or entities prior to the registration of independent contractor/representative of Concert, RIA1.

#### UNDERTAKINGS

In settlement of this matter, but without admitting or denying the findings of fact made above, Concert agrees to pay a fine in the amount of \$1,500.00 to the Department.

#### OPINION

This order is in the public interest. The facts as set out in ¶¶ 2 and 3 support the violations of the Act as set out in ¶ 8.

#### ORDER

This Order concludes this investigation by the Staff and any other action that the Staff could commence under applicable Arkansas law on behalf of State of Arkansas as it relates to Concert and the matters detailed herein.

IT IS THEREFORE ORDERED that Concert shall pay a fine in the amount of \$1,500.00 to the Department upon the execution of this Order.



A. Heath Abshure  
Arkansas Securities Commissioner

May 4, 2010  
Date

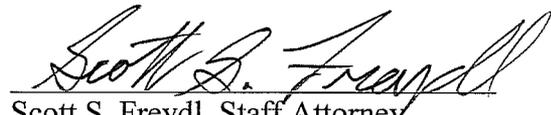
Approved as to content and form:



James M. Thorn  
Concert Wealth Management, Inc.

April 29, 2010  
Date

Approved as to content and form:



Scott S. Freydl, Staff Attorney  
Arkansas Securities Department

5/3/10  
Date



D. Nicole Lovell, Attorney for the Respondent  
Williams & Anderson, PLC

April 29, 2010  
Date