

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE  
SECURITIES DIVISION**

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**IN THE MATTER OF:**

**BEYOND CAPITAL FINANCIAL  
MANAGEMENT GROUP, INC.  
& T. KENNETH WATTS, JR.,  
Individually**

**ADMINISTRATIVE CONSENT  
ORDER NO. LS-17-2582**

**Respondents**

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**CONSENT ORDER**

**WHEREAS**, the Securities Division of the Mississippi Secretary of State (“Division”), has the authority to administer and provide for the enforcement of all provisions of the Mississippi Securities Act (“Act”) codified at Mississippi Code Annotated Sections 75-71-101, *et. seq.*;

**WHEREAS**, the Division has conducted a routine investment adviser examination of Respondent Beyond Capital Financial Management Group, Inc. and found violations of the Act;

**WHEREAS**, Respondents have cooperated with the Division’s examination;

**WHEREAS**, Respondents have advised the Division of their agreement to resolve the matters contained herein, without the expense and delay that formal proceedings would involve;

**WHEREAS**, Respondents elect to permanently waive any right to a hearing and appeal under the Act in Sections 75-71-604 and 75-71-609; and

**WHEREAS**, Respondents, solely for the purpose of concluding this open matter with the Division, agree to take certain actions described herein and consent to the terms and conditions of this Administrative Consent Order (“Order”). Neither this Order, nor any acts performed and documents executed in furtherance of this Order, is intended for use by any person or entity not a

party to this proceeding as an admission of, or evidence of, any fault or omission of Respondent in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. This Order is not intended to confer any rights upon any person or entities who are not a party to this proceeding.

**NOW, THEREFORE**, the Division, as Administrator of the Act, hereby enters this Order:

### **I. FINDINGS OF FACT**

1. Respondents admit to the jurisdiction of the Division in this matter.

#### **Parties**

2. The Secretary of State has the authority pursuant to the Act to administer and enforce the Act and regulate the offer and sale of securities in Mississippi including the firms and persons who offer or sell securities or who provide investment advice regarding securities.

3. Respondent Beyond Capital Financial Management Group, Inc. (“BCFM”) is a Mississippi for-profit corporation and state-registered investment adviser, with its principal business address at 2211 5<sup>th</sup> St., Suite 107, Meridian, Mississippi 39301. The Central Registrations Depository (“CRD”) number for Respondent BCFM is 149808. BCFM was approved as a state-registered investment adviser on March 18, 2016.

4. Respondent T. Kenneth Watts, Jr. (“Watts”) is the principal of BCFM and an investment adviser representative, with his business address at 2211 5<sup>th</sup> St., Suite 107, Meridian, Mississippi 39301. The Central Registrations Depository (“CRD”) number for Respondent Watts is 1236316. Respondent Watts was first registered in Mississippi as an investment adviser representative in May 2002, with Merrill Lynch, and was employed by other SEC-level firms

UBS Financial and Next Financial, prior to his employment with Respondent BCFM in March 2009.

## **Facts**

5. The Division conducted a routine examination of BCFM and found violations of the Act and its Rules by Watts and BCFM.

## **Borrowing From Clients**

### *Loan 1*

6. On February 18, 2011, Watts borrowed \$100,062.75 from Community Bank, Ellisville, Mississippi (“Loan 1”). The loan was secured by collateral owned by “CC” who pledged a \$100,000.00 certificate of deposit (CD) on Watts’ behalf to secure the loan and assigned the right of possession of the CD to the bank.

7. On February 17, 2012, Watts renewed Loan 1, with a new principal balance of \$100,060.00. The CD pledged by CC remained as collateral for the loan.

8. In March of 2012, CC became Respondents’ client.

9. On February 28, 2013 Watts renewed Loan 1, with a new principal balance of \$100,000.00. The client’s CD remained as collateral for the loan.

10. On May 13, 2014, Watts renewed Loan 1, with a new principal balance of \$100,212.75. The client’s CD remained as collateral for the loan.

11. On June 23, 2015, Watts renewed Loan 1, with a new principal balance of \$100,173.43. The client’s CD remained as collateral for the loan.

12. On July 28, 2016, Watts renewed Loan 1, with a new principal balance of \$100,223.27. The client’s CD remained as collateral for the loan.

13. On August 8, 2017, Watts renewed Loan 1, with a new principal balance of \$100,423.27. The client's CD remained as collateral for the loan. As of January 19, 2018, the loan was 44 days past due, and carried a past due amount of \$513.40, and a balance of \$99,845.60.

*Loan 2*

14. On June 25, 2012, BCFM borrowed \$116,969.87 from First State Bank, Waynesboro, Mississippi ("Loan 2"). The loan was secured by collateral owned by "MW." MW, on behalf of BCFM, pledged funds on deposit in a savings account to secure the loan.

15. MW became Respondents' client in February of 2013.

16. On July 5, 2013, BCFM renewed the Loan 2, with a new principal balance of \$117,019.87. The client's savings account funds remained as collateral for the loan.

17. On July 15, 2014, BCFM renewed Loan 2, with a new principal balance of \$117,065.87. The client's savings account funds remained as collateral for the loan.

18. On August 3, 2015, BCFM renewed Loan 2, with a new principal balance of \$117,115.12. The client's savings account funds remained as collateral for the loan.

19. On January 13, 2016, BCFM paid off Loan 2, in the amount of \$118,270.01, releasing the client's collateral from State Bank's possession.

*Loan 3*

20. On July 16, 2012, BCFM borrowed \$122,336.01 from First State Bank, Waynesboro, Mississippi ("Loan 3"). The loan was secured by collateral owned by three individuals: MW (the same client of Loan 2), "PC," and "WA." The three individuals, on behalf of BCFM, pledged CDs totaling \$122,295.91 to secure the loan, and assigned rights of possession of the CDs to the bank.

21. MW and WA became clients of BCFM in February of 2013.
22. On August 27, 2013, BCFM renewed Loan 3, with a new principal balance of \$122,386.01. The CDs remained as collateral for the loan, including the CDs of MW and WA.
23. On August 18, 2014, BCFM renewed Loan 3, with a new principal balance of \$122,436.01. The CDs remained as collateral for the loan, including the CDs of MW and WA.
24. On September 11, 2015, BCFM renewed Loan 3, with a new principal balance of \$122,486.01. The CDs remained as collateral for the loan, including the CDs of MW and WA.
25. In September 2015, PC became a client of Respondent.
26. On October 6, 2016, BCFM renewed Loan 3, with a new principal balance of \$122,536.01. By this time, all three individuals who had pledged CDs as collateral were Respondents' clients. The clients' CDs remained as collateral for the loan.
27. On October 31, 2017, BCFM renewed Loan 3, with the principal balance remaining at \$122,536.01. The clients' CDs remained as collateral for the loan.

#### *Loan 4*

28. On January 15, 2013, BCFM borrowed \$30,100.00 from First State Bank, Waynesboro, Mississippi ("Loan 4"). The loan was secured by collateral owned by "CS," who pledged a CD in the amount of \$42,000.00, on behalf of BCFM, to secure the loan.
29. CS became one of Respondents' clients in September of 2013.
30. On January 27, 2014, BCFM renewed Loan 4, with the same principal balance of \$30,100.00. The client's CD remained as collateral for the loan.
31. On March 31, 2014, BCFM paid off Loan 4 with a payoff amount of \$30,417.73, releasing CS's collateral from First State Bank.

*Loan 5*

32. On April 4, 2014, BCFM borrowed \$40,000.00 from First State Bank, Waynesboro, Mississippi (Loan 5). The loan was secured by collateral in the form of a \$42,084.05 CD, owned by client CS (the same client of loan 4), who assigned the right of possession of the CD to the bank.

33. On May 4, 2015, BCFM renewed Loan 5, with a new principal balance of \$40,100.00. The client's CD remained as collateral for the loan.

34. On May 10, 2016, BCFM renewed Loan 5, with a new principal balance of \$40,150.00. The client's CD remained as collateral for the loan.

35. On May 23, 2017, BCFM renewed Loan 5, with the principal balance remaining at \$40,150.00. The client's CD remained as collateral for the loan.

36. On December 27, 2018, BCFM paid off Loan 5 with a payoff amount of \$38,945.30, releasing CS's collateral from First State Bank.

*Loan 6*

37. On January 19, 2016, BCFM borrowed \$143,100.00 from First State Bank, Waynesboro, Mississippi (Loan 6). The loan was secured by collateral in the form of a \$150,000.00 CD, owned by client PC (the same client of Loan 3), who assigned the right of possession of the CD to the bank.

38. On February 3, 2017, BCFM renewed Loan 6, with a new principal balance of \$143,099.12. The client's CD remained as collateral for the loan. The loan remained active with a balance of \$143,099.12 as of December 2017.

39. Respondents borrowed \$552,568.63 from February 18, 2011 to January 19, 2016, pledging clients' CDs and savings account funds as collateral to secure the loans.

40. During this same period, Respondent BCFM paid off only two of the loans. Respondent BCFM paid off Loan 4 on March 31, 2014 in the amount of \$30,417.73, but immediately borrowed the funds for Loan 5, in the amount of \$40,000.00, on April 4, 2014. Respondent BCFM paid off Loan 2 on January 13, 2016 in the amount of \$118,270.01, but immediately borrowed the funds for Loan 6, in the amount of \$143,100.00, on January 19, 2016.

41. During the course of the examination and subsequent negotiations between Respondents and the Division, Respondents secured the release of clients' collateral with respect to Loan 3, and reduced the amount owed on Loan 6 to \$71,895.39. Loans 1 and 6 remain active, with clients' collateral still pledged to secure the loans.

#### **Undisclosed Tax Liens**

42. On or about August 2, 2010, the Internal Revenue Service ("IRS") filed a federal tax lien in the amount of \$39,890.22 against real property owned by Watts. On February 27, 2011, Watts filed a Form U4 Amendment with the Division, in which he answered "no" to the disclosure question 14M which asks, "Do you have any unsatisfied judgments or liens against you?" The IRS lien was not released until May 31, 2011.

43. On May 31, 2016, the IRS filed a federal tax lien against Watts in the amount of \$28,234.57 for unpaid tax penalties, and a separate lien against Watts in the amount of \$8190.37, for unpaid taxes. On October 31, 2016, the IRS filed another federal tax lien against Watts in the amount of \$14,942.59 for unpaid tax penalties, and a separate lien against Watts in the amount of \$11,157.52 for unpaid taxes. These liens have not been released. On May 19, 2016, Watts filed a Form U4 with the Division, in which he answered "no" to the disclosure question 14M which asks, "Do you have any unsatisfied judgments or liens against you?" Watts has made no subsequent U4 Amendment or filing to disclose the IRS liens.

44. On April 3, 2017, the IRS filed a federal tax lien against Watts in the amount of \$2,415.01 for unpaid taxes. This lien has not been released. Watts has made no subsequent U4 Amendment or filing to disclose the IRS liens.

45. As of December 10, 2018, the IRS set the total amount owed by Watts at \$103,941.15, inclusive of interest and penalties. The Division learned of Watts' IRS liens through its examination and investigation. Watts did not disclose the existence of those tax liens in his prior filings with the Division.

## II. APPLICABLE LAW

46. Miss. Code Section 75-71-102(1) states, "'Administrator' means the Secretary of State."

47. Code Ann. § 75-71-102 (28) sets forth:

### **Definitions:**

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"Security" means a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. The term includes both a certificated and an uncertificated security. The term does not include an insurance or endowment policy or annuity contract under which an insurance company promises to pay a sum of money either in a lump sum or periodically for life or other specified period; or an interest in a contributory or noncontributory

pension or welfare plan subject to the Employee Retirement Income Security Act of 1974. An "investment contract" includes, among other contracts, an investment in a limited partnership, an interest in a limited liability company, an investment in a viatical settlement or similar agreement, and an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors.

48. Section 75-71-601(a) of the Act states, “The administrator shall administer this chapter.”

49. Miss. Code Ann. § 75-71-411(d) sets forth:

**Audits or inspections.** The records of a broker-dealer registered or required to be registered under this chapter and of an investment adviser registered or required to be registered under this chapter are subject to such reasonable periodic, special, or other audits or inspections by a representative of the administrator, within or without this state, as the administrator considers necessary or appropriate in the public interest and for the protection of investors. An audit or inspection may be made at any time and without prior notice. The administrator may copy, and remove for audit or inspection copies of, all records the administrator reasonably considers necessary or appropriate to conduct the audit or inspection. The administrator may assess a reasonable charge for conducting an audit or inspection under this subsection.

50. Miss. Code Ann. § 75-71-412(b) and (c) sets forth:

Denial, revocation, suspension, withdrawal, restriction, condition, or limitation of registration.

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(b) **Disciplinary conditions-registrants.** If the administrator finds that the order is in the public interest and subsection (d) authorizes the action, an order issued under this chapter may revoke, suspend, condition, or limit the registration of a registrant and, if the registrant is a broker-dealer or investment adviser, of a partner, officer, director, or person having a similar status or performing similar functions, or a person directly or indirectly in control, of the broker-dealer or investment adviser.

(c) **Disciplinary penalties-registrants.** If the administrator finds that the order is in the public interest and subsection (d)(1) through (6), (8), (9), (10), (12) or (13) authorizes the action, an order under this chapter may censure, impose a bar, or impose a civil penalty in an amount not to exceed a maximum of the amount specified in Section 75-71-613 for each violation on a registrant, and, if the registrant is a broker-dealer or investment adviser, a partner, officer, director, or person having a similar status or performing similar functions, or a person directly or indirectly in control of the broker-dealer or investment adviser.

51. Miss. Code Ann. § 75-71-412(d) states:

(d) **Grounds for discipline.** A person may be disciplined under subsections (a) through (c) if the person:

\* \* \*

(2) Willfully violated or willfully failed to comply with this chapter or the predecessor act or a rule adopted or order issued under this chapter or the predecessor act within the previous ten (10) years.

\* \* \*

(9) Has failed to reasonably supervise an agent, investment adviser representative, or other individual, if the agent, investment adviser representative, or other individual was subject to the person's supervision and committed a violation of this chapter or the predecessor act or a rule adopted or order issued under this chapter or the predecessor act within the previous fifteen (15) years;

52. Miss. Code Ann. § 75-71-604 of the Act sets forth:

Administrative enforcement.

(a) Issuance of an order or notice. If the administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter, the administrator may:

(1) Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this chapter;

(2) Issue an order denying, suspending, revoking, or conditioning the exemptions for a broker-dealer under Section 75-71-401(b)(1)(D) or (F) or an investment adviser under Section 75-71-403(b)(1)(C); or

(3) Issue an order:

(A) Under Section 75-71-204;

(B) Imposing a civil penalty in the case of an issuer of registered securities, broker-dealer, investment adviser, agent, investment adviser representative, or other person who violated this chapter;

(C) Barring or suspending the person from association with a broker-dealer or investment adviser registered in this state; or

(D) Requiring the person to pay restitution for any loss or disgorge any profits arising from the violation, including interest.

\* \* \*

(d) Civil penalty. In a final order under subsection (c), the administrator may impose a civil penalty in an amount set forth in Section 75-71-613 for each violation and each violation shall be considered a separate offense in a single proceeding or a series of related proceedings.

53. Miss. Code Ann. § 75-71-613(d) sets forth:

(d) Amount of civil penalty and further civil penalty under Section 75-71-604 – administrative enforcement.

(1) The amount of the civil penalty described in Section 75-71-604(d) is a maximum of Twenty-five Thousand Dollars (\$25,000.00) for each violation, provided that an additional civil penalty may be imposed up to a maximum of Fifteen Thousand Dollars (\$15,000.00) for violations of the chapter committed against elders or disabled persons.

54. Miss. Code Ann. § 75-71-505 sets forth:

It is unlawful for a person to make or cause to be made, in a record that is used in an action or proceeding or filed under this chapter, a statement that, at the time and in the light of the circumstances under which it is made, is false or misleading in a material respect, or, in connection with the statement, to omit to state a material fact necessary to make the statement made, in the light of the circumstances under which it was made, not false or misleading.

55. Rule 6.05 of the Rules enacted by the Administrator under the Act sets forth:

(A) Initial Application. The application for initial registration as an investment adviser pursuant to Section 75-71-403(a) of the Act shall be made by filing Form ADV Parts I and II (Uniform Application for Investment Adviser Registration) electronically with IARD and paying the applicable fee.

\* \* \*

(C) Updates and Amendments. The Division shall be notified within thirty (30) days whenever the information contained in any application or amendment for registration as an investment adviser or representative changes in a material way or is or becomes inaccurate or incomplete in any respect.

1. Events requiring notification shall include, but are not limited to, those described in Rule 6.15.

2. An investment adviser must file electronically with IARD any amendments to the investment adviser's Form ADV.

3. An amendment will be considered to be filed promptly if the amendment is filed within thirty (30) days of the event that requires the filing of the amendment.

4. Within ninety (90) days of the end of the investment adviser's fiscal year, an investment adviser must file electronically with IARD an Annual Updating Amendment to the Form ADV.

56. Rule 6.25 of the Rules enacted by the Administrator under the Act sets forth:

**Standards of Conduct.**

A person who is an investment adviser, an investment adviser representative or a federal covered investment adviser is a fiduciary and has a duty to act primarily for the benefit of its clients. Acts and practices, including, but not limited to, the following, are considered contrary to such duty and may constitute grounds for denial, suspension, or revocation of registration, imposition of fines, or such other action authorized by statute:

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D. Borrowing money or securities from a client unless the client is a broker-dealer, an affiliate of the investment adviser, or a financial institution engaged in the business of loaning funds.

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O. Misrepresenting to any client, or prospective client, the qualifications of the investment adviser, investment adviser representative,

federal covered investment adviser, or any employee, or person affiliated with the investment adviser, investment adviser representative or federal covered investment adviser, or misrepresenting the nature of the advisory services being offered or fees to be charged for such service, or to omit to state a material fact necessary to make the statements made regarding qualifications, services or fees, in light of the circumstances under which they are made, not misleading.

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...Engaging in other conduct such as forgery, embezzlement, non-disclosure, incomplete disclosure, or misstatement of material facts, or manipulative or deceptive practices shall also be grounds for denial, suspension, or revocation of registration, or imposition of fines.

### **III. ACTION NECESSARY TO PROTECT THE PUBLIC**

57. Action by the Division is necessary and appropriate in the public interest and for the protection of investors, and is consistent with the purposes fairly intended by the policy and provisions of the Act. Based upon the foregoing Findings of Fact, and consistent with the consent of the Respondent, the Division makes the following:

### **IV. CONCLUSIONS OF LAW**

58. The Administrator, after consideration of the facts set forth above and on the consent of Respondents and the Division, finds and concludes that the Secretary has jurisdiction over Respondents and this matter and that the following is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by the Act.

59. Respondents breached their fiduciary duty to their clients by allowing clients to secure Respondents' loans with the clients' CDs and savings account funds. Respondents could not have secured the loans and loan renewals set forth above without the use of clients' collateral. Respondents borrowed the collateral from their clients. During the periods client funds were (are) securing Respondents' loans, clients funds and securities are unavailable to the

clients and are at risk to be lost. Such activity is not primarily for the benefit of the clients, but was for Respondents' benefit. Respondents have breached the fiduciary duty set forth in Rule 6.25 of the Rules enacted by the Administrator under the Act.

60. Borrowing collateral from clients in order to secure loans is an act prohibited by the Rules. Respondents have borrowed client funds or securities and thus violated Rule 6.25(D) of the Rules enacted by the Administrator under the Act in borrowing money or securities from clients.

61. Respondent Watts made material misstatements and/or omissions in violation of Miss. Code Ann. § 75-71-505 when he failed to amend his Form U-4 to disclose the aforementioned federal tax liens to the Division.

62. Respondent Watts violated Rule 6.05 when he failed to update his Form U-4 filing to disclose the federal tax liens. Respondent Watts failed to notify the Division as required by the Rule within thirty (30) days whenever the information contained in any application or amendment for registration as an investment adviser or representative changed in a material way or became inaccurate or incomplete in any respect.

63. Respondent BCFM has violated Miss. Code Ann. § 75-71-412(d)(9) by failing to reasonably supervise Watts as evidenced by Watts' borrowing from clients and failures to disclose material information to the Division and BCFM's clients.

## **V.ORDER**

IT IS HEREBY ORDERED:

1. This Order concludes the open matter with the Division with respect to Respondents' violations of the Act set forth herein. However, nothing herein limits the ability of

the Division, individually or jointly with other agencies, in pursuing any investigation with respect to any other securities-related matter involving the Respondent.

2. This Order is entered into solely for the purpose of resolving the previously referenced allegations and is not intended to be used for any other purpose.

3. Respondent Watts hereby agrees to a suspension of his registration as an investment adviser or investment adviser representative in Mississippi:

- a. Respondent Watts' suspension is effective January 1, 2019.
- b. Respondent Watts' suspension shall continue until such time as the Division is satisfied that,
  - i. the CD belonging to client CC, and pledged as collateral for Community Bank Loan # 4379292 as set forth in Paragraphs 6-13 above, is released and no longer pledged to secure any loan; and
  - ii. the CD belonging to client PC, and pledged as collateral for First State Bank Loan #92811200005 as set forth in Paragraphs 36-37 above, is released and no longer pledged to secure any loan.
- c. Respondent Watts shall not give investment advice and shall not be entitled to, nor accept any advisory fees during his suspension.

4. Respondent Watts, as principal of BCFM, and Respondent BCFM agree to the permanent revocation of BCFM's registration as an investment adviser in Mississippi, effective January 1, 2019. BCFM shall not give investment advice and shall not be entitled to, nor accept any advisory fees.

5. Respondent Watts agrees to all conditions of heightened supervision required by the Division of any future firm supervising Watts.

6. Respondents shall not take any action, or make or permit to be made any public statement, denying, directly or indirectly, any finding in this Order or creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondents' (a) testimonial obligations; or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the Administrator is not a party; and

7. Respondents shall fully, fairly, and truthfully disclose all information and produce all records and other evidence in its possession, custody, or control relevant to all inquiries made by the Division concerning the subject matter of this Order, except to the extent such inquiries call for the disclosure of information protected by the attorney-client and/or work product privileges.

8. If Respondents default in any of their obligations set forth in this Order, the Division may vacate this Order, at its sole discretion, upon fifteen (15) days' notice to Respondents and without opportunity for administrative hearing and refer this matter for enforcement as provided in Section 75-71-604 (g) of the Act.

9. This Order is not intended to indicate that Respondents shall be subject to any disqualifications contained in the federal securities law, the rules and regulations thereunder, the rules and regulations of self-regulatory organizations or various states' securities laws. In addition, this Order is not intended to form the basis for any such disqualifications.

10. This Order contains, constitutes, and embodies the entire agreement between the undersigned, there being no agreement of any kind, verbal or otherwise, which varies, alters, or adds to this Order; and this Order supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Order.

11. In the event that one or more provisions contained in this Order shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Order.

Date:

1/4/19

C. DELBERT HOSEMANN, JR.  
Secretary of State  
State of Mississippi

By:

  
\_\_\_\_\_  
JEFFREY L. LEE  
Senior Attorney  
Securities Division

**CONSENT TO ENTRY OF FINAL ORDER**

Beyond Capital Financial Management, Inc. hereby acknowledges that it has been served with a copy of this Administrative Consent Order ("Order") has read this Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

Beyond Capital Financial Management, Inc. admits to the jurisdiction of the Division, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order, and consents to entry of this Order by the Division solely for purposes of settlement.

Beyond Capital Financial Management, Inc. states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that Beyond Capital Financial Management, Inc. has entered into this Order voluntarily.

The undersigned principal of Beyond Capital Financial Management, Inc. warrants and represents that he is fully authorized to act for and bind Beyond Capital Financial Management, Inc. by this Administrative Consent Order.

Dated this the 4th day of Jan 2019.

Beyond Capital Financial Management, Inc.

By: T. Kenneth Watts Jr  
T. KENNETH WATTS, JR.

Title: President

STATE OF Mississippi

COUNTY OF Lauderdale

SUBSCRIBED AND SWORN TO before me this 4<sup>th</sup> day of Jan 2019.

Gloria J. Cokel  
Notary Public  
My commission expires: \_\_\_\_\_



**CONSENT TO ENTRY OF FINAL ORDER**

T. Kenneth Watts, Jr. hereby acknowledges that he has been served with a copy of this Administrative Consent Order (“Order”) has read this Order, is aware of his right to a hearing and appeal in this matter, and has waived the same.

T. Kenneth Watts, Jr. admits to the jurisdiction of the Division, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order, and consents to entry of this Order by the Division solely for purposes of settlement.

T. Kenneth Watts, Jr. states that no promise of any kind or nature whatsoever was made to him to induce him to enter into this Order and that he has entered into this Order voluntarily.

Dated this the 4th day of Jan 2019.

T. Kenneth Watts Jr  
T. KENNETH WATTS, JR.

STATE OF Mississippi

COUNTY OF Lauderdale

SUBSCRIBED AND SWORN TO before me this 4th day of Jan 2019.

Gloria J. Cokel  
Notary Public

My commission expires: \_\_\_\_\_

