

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

IN THE MATTER OF

WILLIAM DANNY CHANCELLOR

**Administrative Order Number
S-24-7090**

Respondent

ORDER TO CEASE AND DESIST

WHEREAS, the Secretary of State of the State of Mississippi (“Administrator”) 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 to -701 (2020); and

WHEREAS, William “Danny” Chancellor (“Chancellor” or “Respondent”) has violated provisions of the Act; and

WHEREAS, the Securities Division of the Mississippi Secretary of State’s Office (“Division”) is authorized to issue an order to direct any person to cease and desist from engaging in any act, practice, or course of business when the Administrator determines a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or a rule adopted or order issued under the Act; and

WHEREAS, action by the Division in this instance 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;

NOW, THEREFORE, the Division hereby enters its Order to Cease and Desist.

I. FINDINGS OF FACT

Parties

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

2. Chancellor is an individual who currently resides in Madison, Mississippi, whose Central Registration Depository (“CRD”) number is 1277838. Chancellor was registered with the Division as a broker-dealer agent until 2017, when his Mississippi registration status was terminated. He has not been registered with the Division, or any other state, in any capacity since 2017.

Relevant Entities

3. Integrated Medical and Wellness Clinic of Mississippi, LLC (“IMAWC”) is a limited liability company formed in Mississippi on June 26, 2019. IMAWC’s registered address is 110 Main Street, Magee, Mississippi 39111 and has a known office location at 2556 Marcia Ct., Biloxi, Mississippi 39507. IMAWC has not at any time registered or notice-filed any securities offerings with the Division.

4. Dave Rowe (“Rowe”) is the Chief Executive Officer of IMAWC. Rowe is not and has not at any time registered as a securities professional with the Division.

5. Malachi Financial Agency, LLC (“Malachi”) is a limited liability company formed in Mississippi on August 27, 2014. Malachi’s principal address is 101 Ivy Brook Drive, Mississippi 39110. Chancellor is listed as a Member and Registered Agent on Malachi’s business filings with the Mississippi Secretary of State’s office.

Events

6. On or about June 3, 2024, the Division began its investigation into Chancellor's securities-related activities. This investigation resulted from multiple investor complaints filed with the Division. Through the investigation process, the Division learned of the following facts and circumstances.
7. Chancellor used his previous experience in the securities industry, as well as his personal relationships with potential investors, to offer investment opportunities in IMAWC. These investment opportunities were Secured Promissory Notes ("Notes"), promising monthly lucrative returns.
8. In exchange for executed Notes, Chancellor received commissions for any investment he solicited in IMAWC.
9. Chancellor never disclosed to investors that neither he, nor the investment opportunity, were not registered. Instead, Chancellor held himself out as a broker for IMAWC and gave the impression to investors that he was still a registered professional in the investment industry.
10. Additionally, Chancellor failed to disclose multiple disciplinary actions he incurred from federal and state regulatory agencies stemming from securities law violations.
11. Based on the Division's investigation, it is estimated that Chancellor's fraudulent actions resulted in at least nine million dollars (\$9,000,000.00) in capital raised between 2021 to 2024, with Chancellor earning at least four hundred thousand dollars (\$400,000.00) in commissions.

Chancellor Contracts with IMWC

12. Between late 2020 and early 2021, Chancellor and Rowe began discussions for a potential business arrangement. Rowe planned to open multiple IMAWC clinics in Mississippi. IMAWC's business model focused on regenerative medicine and individualized treatments for patients. Rowe

sought to raise capital from investors to expand IMAWC's services and branch into other regional markets.

13. IMAWC began issuing Notes in the company to investors as early as January 2021 along with a Secured Capital Agreement. The terms of the Notes were between two (2) to four (4) years in which investors would earn either ten and a half percent (10.5%) or thirteen and three tenths percent (13.3%) interest for the term of their investment.

14. In May 2021, Chancellor entered into a Broker Contract Agreement ("Agreement") with IMAWC for Chancellor to serve as a broker for the company.

15. Under the terms of the Agreement, Chancellor received a five percent (5%) commission for initial investments in IMAWC. Additionally, Chancellor received a one and a half percent (1.5%) commission after 24 months of the initial investment, and another one and a half percent (1.5%) commission after 36 months of the initial investment if the funding was for a term of four (4) years or longer.

16. Chancellor was not licensed to provide the services set forth in the Agreement, nor was he licensed to provide investment advice about the Notes to investors.

17. Chancellor solicited investors across Mississippi to invest in IMAWC, many of whom had prior connections to Chancellor as his former clients from his time as a broker. In some of his communications with these investors, Chancellor used his company Malachi to conduct these deals, giving investors the impression that he was still a registered professional in the securities industry.

18. As a previous registered securities broker and adviser, Chancellor knew, or reasonably should have known, that the unregistered advice he gave, and the sale of unregistered investments violated the Act.

19. Based on the Division's investigation, Chancellor solicited over one hundred (100) Mississippi investors in IMAWC, earning approximately \$401,775 in commissions between 2021 to 2023.

Investors Incur Financial Losses

20. Throughout the course of the investigation, the Division met with IMAWC investors. Many investors received no interest payments owed to them from their Notes. Other investors who did receive interest payments at the start of their investment term suddenly stopped receiving any payments.

21. Investors sent many requests to Chancellor to receive their expected interest payments. Initially, Chancellor would tell the investors that the interest payments were running behind and that they needed to wait. Eventually, Chancellor began to ignore investors' calls to receive their interest payments and/or their principal investment amount, per the terms of the Notes.

22. Many of the investors who spoke with the Division reiterated that they trusted Chancellor due to their previous relationship with him, as some had additional investments made with him through Malachi.

23. Chancellor's omission that he was no longer licensed as a broker or adviser, coupled with his use of Malachi in the promotion of IMAWC, led investors to believe these opportunities were legitimate.

24. Chancellor's continued violations of the State's securities laws have cost Mississippi investors nearly nine million dollars (\$9,000,000.00) in addition to the emotional stress and added financial hardships incurred trying to recover the money owed.

Chancellor's Past Disciplinary Action

25. Chancellor has a substantial history of disciplinary actions with the state and other regulatory agencies.

26. In September 2012, the Division entered into a Consent Order with Chancellor.¹ Chancellor was fined twelve thousand five hundred dollars (\$12,500.00), suspended for one (1) year from his supervisory position at Cambridge Investment Research, Inc., dba Malachi Financial, LLC, and subject to heightened supervisions for two (2) years. These penalties resulted from Chancellor violating multiple sections of the Act, including, forging a client's signature, failing to communicate with the client, making an unauthorized transaction, and making materially misleading statements.

27. In December 2016, Chancellor was named as a respondent in a Financial Industry Regulatory Authority ("FINRA") complaint for failure to disclose a tax lien on his U4. Chancellor accepted a settlement with FINRA later that year in which he was given a five thousand dollar (\$5,000.00) penalty and suspended for three (3) months from the industry.²

28. Due to the FINRA complaint and settlement, the Division commenced action. Chancellor and the Division entered into another Consent Order in June 2017.³ The Consent Order required Chancellor to pay a twenty thousand dollar (\$20,000.00) penalty, attend a total of six (6) hours of financial industry training, be subject to heightened supervision for two (2) years with any new firm, and prevent him from holding any supervisory or compliance position with any firm for five (5) years.⁴

¹ In re Chancellor, No. S-11-0259 (Miss. Sec'y. of State Sept. 18, 2011) (Administrative Consent Agreement).

² Dept. of Enf. v. Chancellor, No. 2014040750201 (FINRA December 15, 2016) (Order Accepting Offer of Settlement).

³ In re Chancellor, No. LS-17-2291 (Miss. Sec'y. of State June 21, 2017) (Administrative Consent Order).

⁴ \$10,000.00 of the penalty was paid upon execution of the Consent Order. The remaining \$10,000.00 would be paid upon Chancellor's re-registration with the Division.

29. Chancellor terminated his registration with the Division shortly after execution of the 2017 Consent Order. He has not been registered with the Division, or any other state, in any capacity since 2017.

30. After Chancellor's registration ended, complaints continued to be filed, mainly due to unsuitable investments.⁵ Many, if not all, of these complaints were settled through FINRA's arbitration process.

31. Chancellor had a duty under Mississippi law to disclose these past disciplinary actions and complaint history to the investors he solicited in the IMAWC Notes. Instead, he either withheld this information or concocted a story that he simply "retired" from the financial industry to explain his lack of activity.

II. APPLICABLE LAW

32. Miss. Code Ann. Section 102 sets forth:

Definitions.

(1) "Administrator" means the Secretary of State.

...

(2) "Agent" means an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. The term does not include an individual excluded by rule or adopted or order issued under this chapter. The term does not include an associated person of an issuer who is deemed not to be a broker under Securities and Exchange Commission Rule 3a4-1.

...

(4) "Broker-dealer" means a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account.

⁵ *William Danny Chancellor*, BrokerCheck by FINRA, <https://brokercheck.finra.org/individual/summary/1277838>.

- ...
- (15) "Investment adviser" means a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation.

33. Miss. Code Ann. Sections 75-71-401 to -402 state:

§ 75-71-401. Broker-dealer registration requirement and exemptions.

- (a) **Registration requirement.** It is unlawful for a person to transact business in this state as a broker-dealer unless the person is registered under this chapter as a broker-dealer or is exempt from registration as a broker-dealer under subsection (b) or (d).

§ 75-71-402. Agent registration requirement and exemptions.

- (a) **Registration requirement.** It is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this chapter as an agent or is exempt from registration as an agent under subsection (b).

34. Miss. Code Ann. Sections 75-71-403 to -404 state:

§ 75-71-403. Investment adviser registration requirement and exemptions.

- (a) **Registration requirement.** It is unlawful for a person to transact business in this state as an investment adviser unless the person is registered under this chapter as an investment adviser or is exempt from registration as an investment adviser under subsection (b).

§ 75-71-404. Investment adviser representative registration requirement and exemptions.

- (b) **Registration requirement.** It is unlawful for an individual to transact business in this state as an investment adviser representative unless the

individual is registered under this chapter as an investment adviser representative or is exempt from registration as an investment adviser representative under subsection (b).

35. Sections 75-71-501 and -502(a) of the Act state:

§ 75-71-501. General fraud.

It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:

- (1) To employ a device, scheme, or artifice to defraud;
- (2) To make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (3) To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

§ 75-71-502. Prohibited conduct in providing investment advice.

- (a) **Fraud in providing investment advice.** It is unlawful for a person that advises others for compensation, either directly or indirectly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as part of a regular business, issues or promulgates analyses or reports relating to securities:

- (1) To employ a device, scheme, or artifice to defraud another person; or
- (1) To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

36. Section 75-71-601(a) of the Act states that “[t]he administrator shall administer this chapter”—that is, the Mississippi Securities Act.

37. According to Section 75-71-604 of the Act:

§ 75-71-604. 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;

...

- (b) **Summary process.** An order under subsection (a) is effective on the date of issuance. Upon issuance of the order, the administrator shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been entered, in accordance with Section 75-71-611. The order must include a statement of any civil penalty or other administrative remedy to be imposed under subsection (a) or costs of investigation the administrator will seek, a statement of the reasons for the order, and notice that, within fifteen (15) days after receipt of a request in a record from the person, the matter will be scheduled for a hearing. If a person subject to the order does not request a hearing and none is ordered by the administrator within thirty (30) days after the date of service of the order, the order, including the imposition of a civil penalty or other administrative remedy to be imposed under subsection (a) or requirement for payment of the costs of investigation if a civil penalty or costs were sought in the statement accompanying the order, becomes final as to that person by operation of law. If a hearing is requested or ordered, the administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

- (c) **Procedure for final order.** If a hearing is requested or ordered pursuant to subsection (b), a hearing must be held pursuant to the administrative hearing procedures set forth in the rules. A final order may not be issued unless the administrator makes findings of fact and conclusions of law in a record in accordance with the administrative hearing procedures set forth in the rules. The final order may make final, vacate, or modify the order issued under subsection (a).

III. CONCLUSIONS OF LAW

38. The Administrator, after consideration of the facts set forth above, finds and concludes that the Division has jurisdiction over the Respondent in 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.

39. When Chancellor, for compensation, engaged in the business of effecting or attempting to effect purchases or sales of securities, i.e., the Notes, and entered into the Broker Contract Agreement with IMAWC, he acted as broker-dealer as defined in Miss. Code Ann. 75-71-102.

40. When Chancellor, for compensation, engaged in the business of advising others to invest in IMAWC, he acted as an investment adviser as defined in Miss. Code Ann. 75-71-102(15).

41. Chancellor's actions insinuated to investors that he was licensed to provide investment advice and effectuate the sale of the Notes. Additionally, Chancellor failed to disclose to investors that the Notes were not registered and he had a disciplinary history in the financial industry. These actions constitute material misrepresentations and omissions under the Act, therefore amounting to fraud under Miss. Code Ann. 75-71-501 and -502(a).

IV. ORDER

IT IS HEREBY ORDERED:

42. That Respondent immediately CEASE AND DESIST from effecting or attempting to effect purchases or sales of securities for any clients, by any means, including but not limited to, mail, website, internet, social media, or any electronic communications to or from the State of Mississippi;

43. That Respondent immediately CEASE AND DESIST from offering investment advice and obtaining funds from any clients, by any means, including, but not limited to, mail, website, internet, social media, or any electronic communications to or from the State of Mississippi;

44. That Respondent immediately CEASE AND DESIST from making fraudulent statements and other misrepresentations that operate or would operate as a fraud upon investors.

V. RIGHT TO AN ADMINISTRATIVE HEARING

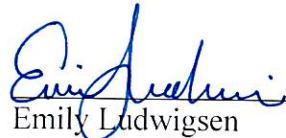
If the Respondent wishes to contest the allegations set forth above or offer evidence and arguments to mitigate the allegations, then the Respondent must file a request for hearing. Such request shall be made in writing to Eric S. Slee, Assistant Secretary of State, Securities Division, Mississippi Secretary of State's Office, Post Office Box 136, Jackson, MS 39205, within thirty (30) days from the date of receipt of this Order to Cease and Desist. Within fifteen (15) days after the request, the matter would be scheduled for a hearing. In the event such a hearing is requested, the Respondent may appear, with or without the assistance of an attorney, on a date and at a time and place to be specified and cross-examine witnesses, as well as present testimony, evidence, and argument relating to the matters contained herein. Upon request, subpoenas may be issued for the attendance of witnesses and for the production of books and papers on the Respondent's behalf at the hearing relating to the matters contained herein. If an administrative hearing is requested, written notice of the date, time, and place will be given to all parties by certified mail, return receipt requested. Said notice will also designate a Hearing Officer. If a request for hearing is not timely filed, this Order becomes final, without any further action, by operation of law.

VI. RIGHT TO AMEND

The Secretary of State hereby reserves the right to amend this Order to Cease and Desist. ISSUED, this the 18th day of June 2025.

Michael Watson
Secretary of State

BY:


Emily Ludwigsen
Attorney
Securities Division