

BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF KANSAS



In the Matter of:

ECKMAN WEALTH MANAGEMENT, LLC, and
DARYL D. ECKMAN

Docket No. **17E005**
KSC No. 2014-6205

Respondents.

_____/
Pursuant to K.S.A. 17-12a412

CONSENT ORDER

1. The Staff of the Securities Commissioner of Kansas ("KSC Staff") alleges that Respondent Eckman Wealth Management, LLC ("EWM") and Respondent Daryl D. Eckman ("Eckman") engaged in conduct that constitute violations of the Kansas Uniform Securities Act and that Respondents are subject to discipline pursuant to K.S.A. § 17-12a412.
2. Respondents and KSC Staff desire to settle the matters raised by KSC Staff relating to Respondents' alleged violations.

CONSENT TO JURISDICTION

3. Respondents and the KSC Staff stipulate and agree that the Securities Commissioner of Kansas ("the Commissioner") has jurisdiction over Respondents and these matters pursuant to the Kansas Uniform Securities Act, K.S.A. §§ 17-12a101-17-12a703.
4. Respondents and the KSC Staff stipulate and agree that the Commissioner has authority to enter this Order pursuant to K.S.A. § 17-12a604.

WAIVER AND EXCEPTION

5. Respondents waive their right to a hearing with respect to these matters.

6. Respondents waive any rights that they may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondents specifically forever release and hold harmless the Kansas Securities Commissioner, the KSC Staff and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondents stipulate and agree that, should the facts contained herein prove to be false, KSC Staff preserves the right to pursue any and all legal and administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

8. Respondents and KSC Staff agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondents admit the allegations made by KSC Staff and agree to the issuance of this Consent Order solely for the purposes of this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.
10. Respondents agree not to take any action or to make or permit to be made any public statement creating the impression that this Order is without a factual basis. Nothing in this Order affects Respondents' (a) testimonial obligations; or (b) right to take legal or factual position in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party.

I. FINDINGS OF FACT

11. Respondent EWM, CRD No. 159934, is a Kansas limited liability company (“LLC”) formed on November 25, 2011. Its business is located at 4800 Rainbow Blvd Suite 101, Westwood, KS 66205.
12. EWM has been registered with the Office of the Kansas Securities Commissioner (“KSC”) as an investment adviser (“IA”) since February 3, 2012, and is, therefore, subject to the Kansas Securities Commissioner’s (“Commissioner”) jurisdiction.
13. Respondent Eckman, CRD No. 1614453, is an individual whose principle place of business is 4800 Rainbow Blvd Suite 101, Westwood, KS 66205.
14. Eckman has been registered with the KSC as an investment advisor representative (“IAR”) on and off since 1998 with a current registration status, and is therefore subject to the Commissioner’s jurisdiction.
15. Eckman is EWM’s owner, Managing Member, and, at the time of the on-site exam, served as the firm’s Chief Compliance Officer (CCO).
16. On or about February 15, 2015, a routine compliance examination of EWM was performed by Kenneth J. Becker (“Becker”), KSC Senior Examiner.
17. At the time of the on-site exam, the firm had one investment adviser representative (IAR) Daryl D. Eckman (“Eckman”) (CRD #1614453).
18. Multiple deficiencies were discovered throughout the examination process.
19. An order against Respondent EWM is in the public interest.

EWM Failure to Reasonably Supervise

20. According to K.S.A. 17-12a412(d)(9), a person may be disciplined if the person has failed to reasonably supervise an IAR or other individual if the IAR or other individual

was subject to the person's supervision and committed a violation of the KUSA within the previous ten (10) years.

21. The on-site exam revealed that EWM failed to fulfill its supervisory responsibilities by:
 - a. Allowing Eckman to conduct investment advisory business in Missouri, California, Texas, and Louisiana, without being properly registered in those states. Eckman had 23 client accounts with 13 client families in Missouri, 26 client accounts with 9 client families in California, 8 client accounts with 4 client families in Texas, and one client account with one client family in Louisiana.
 - b. Allowing Edward H. Prince (Prince) (CRD #4647442) to conduct IAR activities without being registered as an IAR with any firm. Prince had transferred 23 of his previous clients to EWM. The correspondence review produced evidence that Prince was prospecting, scheduling appointments, meeting with clients, and preparing financial plans for EWM. EWM paid Prince fees during the time period of May 5, 2014 to January 12, 2015, for consulting services.

Eckman Failure to Reasonably Supervise

22. The on-site exam revealed that Eckman failed to fulfill his supervisory responsibilities by:
 - a. Allowing Edward H. Prince (Prince) (CRD #4647442) to conduct IAR activities without being registered as an IAR with any firm. Prince had transferred 23 of his previous clients to EWM. The correspondence review produced evidence that Prince was prospecting, scheduling appointments, meeting with clients, and preparing financial plans for EWM. EWM paid Prince fees during the time period of May 5, 2014 to January 12, 2015, for consulting services.

II. CONCLUSIONS OF LAW

23. Paragraphs 1–22 are incorporated by reference as though fully set forth herein.
24. In violation of K.S.A. 17-12a412(d)(9), Respondent EWM failed to reasonably supervise its IAR and other individuals, due to the following:
 - c. In violation of K.A.R. 81-14-10(a)(4), Respondent EWM permitted Eckman conduct investment advisory business in Missouri, California, and Louisiana, without being properly registered in those states.
 - d. In violation of K.A.R. 81-14-10(a)(4), Respondent EWM permitted Prince to conduct IAR activities without being registered as an IAR with any firm.
25. In violation of K.S.A. 17-12a412(d)(9), Respondent Eckman failed to reasonably supervise its IAR and other individuals, due to the following:
 - a. In violation of K.A.R. 81-14-10(a)(4), Respondent EWM permitted Prince to conduct IAR activities without being registered as an IAR with any firm.
26. The Commissioner has jurisdiction over Respondents and this matter. The following Order is in the public interest and is consistent with the purposes intended by the Kansas Uniform Securities Act.

III. ORDER

IT IS, THEREFORE ORDERED by the Securities Commissioner of Kansas that:

- (1) Respondent EWM is ordered to pay ten thousand dollars (\$10,000) to the Investor Education Fund. Respondent Eckman is ordered to pay five thousand dollars (\$5000) to the Investor Education Fund. Payment shall be delivered along with an executed copy of this Order to KSC Staff offices. These payments shall be suspended, providing Respondents comply with the terms of this Consent Order and

do not violate the Kansas Securities Act or a similar Act in any other jurisdiction for a period of two years from the date of this Consent Order;

(2) Upon failure of either Respondent to comply with the terms of this Consent Order, the suspended payments in paragraph 1 shall become immediately payable under operation of law, and such immediately due payment shall be in addition to any and all other penalties then available under law. The Commissioner may take all available actions to enforce this Consent Order. Upon Respondent's compliance with the terms of this Consent Order for a period of two years from the date of this Consent Order, the suspended payments in paragraph 1 shall be waived.

(3) **IT IS SO ORDERED BY THE COMMISSIONER.**

Entered at Topeka, Kansas this 10th day of ~~September~~ ^{November}, 2016.



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Joshua A. Ney
Securities Commissioner

CONSENTED TO BY:

[Redacted signature area]

Christopher Mann #24567
Senior Staff Attorney
Office of the Kansas Securities Commissioner

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Respondent