



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
 )  
CHAD SLAGLE, CRD NO. 4750156, and ) Case No. AP-15-41  
SLAGLE FINANCIAL, LLC, CRD NO. 149976, )  
 )  
Respondents. )

**CONSENT ORDER**

1. The Missouri Securities Division of the Office of Secretary of State (“Division”), through Assistant Chief Counsel Jennifer Martin, has alleged that Chad Slagle and Slagle Financial, LLC (“Respondents”) failed to maintain proper books and records in violation of Section 409.4-411 and Missouri Rule 15 CSR 30-51.140.
2. Respondents and the Division desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondents’ alleged violations of Sections 409.4-411 and Missouri Rule 15 CSR 30-51.140.

**CONSENT TO JURISDICTION**

3. Respondents and the Division stipulate and agree that the Missouri Commissioner of Securities (“Commissioner”) has jurisdiction over Respondents and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondents and the Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

**WAIVER AND EXCEPTION**

5. Respondents waive Respondents’ rights to a hearing with respect to this matter.

6. Respondents waive any rights that Respondents 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 Missouri Office of Secretary of State, Secretary of State, Commissioner, 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 with the Division that, should the facts contained herein prove to be false or incomplete, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

#### CONSENT TO COMMISSIONER'S ORDER

8. Respondents and the Division stipulate and 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 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 factual basis. Nothing in this paragraph affects Respondents' (a) testimonial obligations; (b) right to take legal or factual positions in connection with litigation, arbitration, or other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondents agree that Respondents are not the prevailing parties in this action since the parties have reached a good faith settlement.
11. Respondents neither admit nor deny the allegations made by the Division, but consent to the entry of the Commissioner's Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

#### COMMISSIONER'S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

##### I. FINDINGS OF FACT

###### A. Respondents and Related Parties

12. Slagle Financial, LLC ("Slagle Financial"), Central Registration Depository ("CRD") number 149976, is a Missouri-registered investment adviser with a principal office and place of business of 419 St. Louis Street, Edwardsville, Illinois 62025.
13. Chad Slagle ("Slagle"), CRD number 149976, is a Missouri-registered investment adviser representative with Slagle Financial. Slagle is also a licensed insurance producer in Missouri with license number 0400697. Slagle is the President and Chief Compliance Officer of Slagle Financial.

14. Advisors Excel, LLC (“Advisors Excel”) is an insurance-marketing organization based out of Topeka, Kansas. Advisors Excel is also an insurance business entity producer in Missouri with license number 8024259.
15. Best Practices-Leading by Example, LLC (“BPLE”) is a “coaching firm” for Advisors Excel owned by Slagle and one other individual.
16. Global Financial Private Capital, LLC (“GFPC”) is a federally covered investment adviser notice-filed in Missouri with CRD number 132070. The principal office and place of business of GFPC is 501 North Cattlemen Road, Suite 106, Sarasota, Florida 34232. Advisors Excel’s website reflects that GFPC and Advisors Excel together provide “fully integrated wealth management services.”<sup>1</sup>

### B. Findings of Fact

17. From at least 2010 through the present (“the Relevant Period”), Slagle has been affiliated with Advisors Excel in two different capacities: (1) Slagle uses Advisors Excel as an insurance-marketing organization through which Slagle sells fixed annuities and other life insurance products, and (2) Slagle is the owner of BPLE, which provides certain training services to Advisors Excel for compensation.
18. During the Relevant Period, among other things, Slagle provided certain training regarding various methods of making sales, and received various forms of compensation for conducting such training, including certain compensation for annuities sold by attendees of training workshops. Slagle’s insurance sales production level during the Relevant Period played a role in the relationship Slagle has had with Advisors Excel.
19. Slagle Financial, through certain forms of advertising, has claimed that Slagle Financial and Slagle will provide personalized investment advice to clients, including providing an initial assessment of a client’s financial needs, and then offering various investment alternatives to meet that client’s needs.
20. Slagle Financial and Slagle did not maintain proper books and records, in that they did not fully identify in the marketing materials that:
  - a. Slagle Financial and Slagle recommend and sell fixed annuities recommended by Advisors Excel;
  - b. Customers of Slagle Financial and Slagle in a number of instances invested 60 to 70% of their liquid net worth in such fixed annuities recommended by Advisors Excel;
  - c. Slagle Financial and Slagle submit materials to GFPC for investment recommendations;

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<sup>1</sup> <http://www.advisorsexcel.com/products/global-financial-private-capital.php>

- d. In many instances customers' remaining liquid net worth was invested in funds managed by GFPC; and
  - e. The funds managed by GFPC are held at Fidelity or TD Ameritrade.
21. Slagle Financial and Slagle also did not maintain proper books and records, in that they did not fully identify potential conflicts of interest with regard to Slagle's relationships with Advisors Excel. Slagle Financial and Slagle did not fully identify, among other things:
- a. Slagle's recruiting and marketing relationship with Advisors Excel.
  - b. Incentives available to Slagle and that Slagle received for selling annuities recommended by Advisors Excel.

## II. CONCLUSIONS OF LAW

22. The Commissioner finds the Respondents failed to maintain accurate and proper books and records, and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604.
23. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondents and the Division, finds and concludes that the Commissioner has jurisdiction over Respondents and this matter and that the following Order is in the public interest, necessary for the protection of public investors, and consistent with the purposes intended by Chapter 409.

## III. REMEDIAL MEASURES

24. During the Relevant Period, Slagle Financial engaged the services of an outside consultant to, among other things, assess Slagle Financial's compliance program and assist the firm with ensuring that it met all regulatory and compliance requirements. Slagle Financial has recently engaged the services of a different outside consultant ("New Consultant") to further enhance its overall compliance program, including, but not limited to, maintaining accurate and proper books and records.

## IV. ORDER AND UNDERTAKING

**NOW, THEREFORE,** it is hereby Ordered that:

1. Respondents shall continue to retain New Consultant at their own expense. New Consultant will be retained by Respondents for a period not less than two years. If, at any time, the New Consultant becomes unable to perform his or her duties, Respondent Slagle Financial shall have 30 days to select a replacement Consultant for New Consultant not unacceptable to the Commissioner.

- a. Between six and seven months from the effective date of this Consent Order, New Consultant will furnish to Respondents an initial report concerning the state of Slagle Financial's overall compliance program, including, but not limited to, books and records, sales practices and conflicts of interest. New Consultant will make recommendations, to the extent necessary, to improve Respondents' overall compliance program. If New Consultant determines that no recommendations are necessary, New Consultant shall state so in that report.
  - b. The New Consultant will prepare follow-up reports 12 months, 18 months, and 24 months following the date of hire. These follow-up reports will make further recommendations and discuss the extent to which Respondents have implemented the New Consultant's earlier recommendations.
  - c. Respondents will provide to the Commissioner copies of all reports prepared by the New Consultant. The Commissioner, or anyone whom the Commissioner delegates, may speak with the New Consultant at any time during the period that the New Consultant is retained by Respondents. Any costs and/or fees associated with the Commissioner or the Commissioner's delegates speaking with the Consultant shall be borne by Respondents.
  - d. Respondents will promptly adopt and implement the processes, procedures, and practices recommended by the New Consultant; however, Respondents may propose alternative procedures ("Alternative Procedures") designed to achieve the same objective or purpose as those that were recommended by the New Consultant. Respondents may adopt the Alternative Procedures if the New Consultant agrees that Respondents' proposed procedures will achieve the same objectives or purposes as the New Consultant's original recommendations. In the event that Respondents and the New Consultant disagree regarding any recommendation by the New Consultant, Respondents shall have 30 days to appeal such recommendation to the Commissioner and shall be bound by the decision of the Commissioner.
  - e. Respondents shall provide to the Commissioner copies of all reports prepared by the Consultant.
  - f. For a period of 24 months following the conclusion of the New Consultant's work, Respondents, their affiliates, and any of their officers may not employ or hire the Consultant in any capacity. Notwithstanding the terms of this paragraph, Respondents may continue to retain New Consultant for consulting services for future purposes.
2. For a period of two years, Respondents shall promptly notify the Division of any complaints by Missouri residents.
  3. Respondents shall pay Respondents' own costs and attorneys' fees with respect to this matter.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,

MISSOURI THIS 2 DAY OF November, 2015.



JASON KANDER  
SECRETARY OF STATE

*Andrew M. Hartnett*

ANDREW M. HARTNETT  
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

*Jennifer V. Martin*

Jennifer V. Martin  
Assistant Chief Counsel

RESPONDENT CHAD SLAGLE

*Chad Slagle*

By: Chad Slagle

RESPONDENT SLAGLE FINANCIAL, LLC

*Chad Slagle*

By: Chad Slagle