



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)	
)	
WEALTHCARE, LLC, CRD No. 170382; and)	
JAMES BARRY WATTS, CRD No. 2482375,)	
)	
<i>Respondents.</i>)	Case No. AP-16-31
)	
Serve: Wealthcare, LLC at:)	
2847 S. Ingram Mill, Suite B100)	
Springfield, Missouri 65804)	
)	
James Barry Watts at:)	
1161 State Highway B)	
Rogersville, Missouri 65742)	

**ORDER TO SHOW CAUSE WHY RESPONDENTS SHOULD NOT BE
CENSURED, AND WHY CIVIL PENALTIES AND OTHER
ADMINISTRATIVE RELIEF SHOULD NOT BE IMPOSED**

On July 25, 2016, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Enforcement Counsel Scott Snipkie, submitted a Petition for Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed (the “Petition”). After reviewing the Petition, the Commissioner issues the following order:

I. ALLEGATIONS OF FACT

The Petition alleges the following facts:

A. Respondents and Related Parties

1. WealthCare, LLC (“WealthCare”) has been a Missouri-registered investment adviser since February 19, 2014 when its registration became effective. WealthCare is located at 2847 S. Ingram Mill, Suite B100, Springfield, Missouri 65804 and is registered in Missouri through the Central Registration Depository (“CRD”) with number 170382.
2. James Barry Watts (“Watts”) has been a Missouri-registered investment adviser representative through WealthCare since July 7, 2014 when his registration became

effective. Watts is registered in Missouri through the CRD with number 2482375. Filings with the Secretary of State indicate that Watts is the sole organizer of WealthCare. WealthCare's regulatory filings, including the firm's Form ADV, indicate that Watts is the sole owner of the firm. Watts' office address is 2847 S. Ingram Mill, Suite B100, Springfield, Missouri 65804; his residential address is 1161 State Highway B, Rogersville, Missouri 65742.

B. July 20 Attempted Examination of Wealthcare

3. On July 20, 2016, at approximately 10:30 a.m., members of the Examinations Section of the Missouri Securities Division of the Office of the Secretary of State ("Exams Team") arrived at the offices of Wealthcare to conduct an examination of the books and records of the firm.
4. The Exams Team was met in the reception area by a person identifying himself as John Peterson.
5. John Peterson informed the Exams Team that he was an employee of Wealthcare.
6. The Exams Team informed John Peterson of the purpose of the visit and provided him with their credentials and asked to meet with Watts.
7. John Peterson informed the Exams Team that Watts was out of the country.
8. The Exams Team requested to meet with Nola Peterson, who was listed as the additional regulatory contact listed on WealthCare's Form ADV from February 19, 2014 until March 30, 2015. Incidentally, the space on Form ADV reserved to identify an additional regulatory contact contained only the office address for WealthCare after March 30, 2015.
9. John Peterson informed the Exams Team that Nola Peterson would not be able to assist them.
10. John Peterson informed the Exams Team that Watts directed both Nola and him before his departure that they could not provide records to anyone, and that only Watts was authorized to provide records.
11. John Peterson stated that Watts would be out of the country until July 26, 2016, and the best way to contact Watts was by e-mail at Barry@wctaxadvisors.com, or by phone at 417-865-0936.
12. The phone number 417-865-0936 is the phone number listed in WealthCare's regulatory filings as its principal office number.
13. Based upon the information from John Peterson, the WealthCare employee on site, the Exams Team understood they would be unable to review the firm's books and records.

The Exams Team departed and returned to the Securities Division.

II. COMMISSIONER'S DETERMINATIONS AND FINDINGS

Refusing to Allow or Otherwise Impeding the Commissioner from Conducting an Audit or Inspection, or Refusing Access to a Registrant's Office to Conduct an Audit or Inspection Under Section 409.4-411(d)

14. **THE COMMISSIONER DETERMINES** that the Respondents refused to allow or otherwise impeded an audit or inspection under Section 409.4-411(d), RSMo (Cum. Supp. 2013).¹
15. Pursuant to Section 409.4-411(d), the records of an investment adviser are subject to audits or inspections by a representative of the Commissioner at any time and without prior notice.
16. WealthCare is an investment adviser registered in the State of Missouri; therefore, Respondent WealthCare is subject to the provisions of Section 409.4-411(d).
17. The Exams Team arrived during normal business hours on the morning of July 20, 2016, with the intention of inspecting the books and records of WealthCare.
18. An employee of WealthCare, John Peterson, denied the Exams Team access to Watts' office and the books and records of the firm at the direction of Watts.
19. Respondents' denial of access to the books and records of the firm and access to Watts' office is a refusal to allow the Commissioner to conduct an audit or inspection under Section 409.4-411(d) or an impediment thereof.
20. Respondents' refusal or impediment as outlined above is a violation of Section 409.4-412(d)(8). Violations of Section 409.4-412(d)(8) are subject to the Commissioner's authority under Sections 409.4-412(b) and (c).
21. In addition to Watts' action in personally directing the denial of access to the Exams Team, Watts is the direct control person and sole owner of WealthCare. Therefore, Watts also is subject to the Commissioner's jurisdiction under Sections 409.4-412(b) and (c) for the firm's violation of Section 409.4-412(d)(8) by virtue of his status as a control person.
22. Respondents' violation of Section 409.4-412(d)(8) constitutes grounds to discipline Respondents under Sections 409.4-412(b) and (c).
23. This order is in the public interest and is consistent with the purposes of the Missouri Securities Act of 2003. See Section 409.6-605(b).

¹Unless otherwise specified, all statutory references are to the 2013 cumulative supplement to the Revised Statutes of Missouri.

III. STATEMENT

Pursuant to Section 409.4-412, the Commissioner hereby states that he will determine whether to grant the Enforcement Section's requests for:

- A. \$5,000 civil penalty against Respondent WealthCare for violating Section 409.4-412(d)(8);
- B. \$5,000 civil penalty against Respondent Watts for violating Section 409.4-412(d)(8);
- C. An order censuring Respondents WealthCare and Watts for violating Section 409.4-412(d)(8); and
- D. An order conditioning or limiting the registrations of Respondents WealthCare and Watts for violating Section 409.4-412(d)(8).

SO ORDERED:

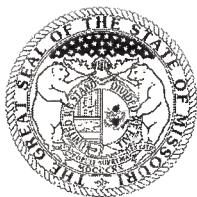
WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS TWENTY-EIGHTH DAY OF JULY, 2016.



JASON KANDER
SECRETARY OF STATE

Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

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1161 State Highway B)	
Rogersville, Missouri 65742)	

NOTICE

TO: Respondents and any unnamed representatives aggrieved by this Order:

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to Section 409.4-412(f), RSMo. (Cum. Supp. 2013), and 15 CSR 30-55.020.

Within fifteen (15) days after receipt of a request in a record from a person or persons subject to this order, the Commissioner will schedule this matter for a hearing.

A request for a hearing must be mailed or delivered, in writing, to:

Andrew M. Hartnett, Commissioner of Securities
Office of the Secretary of State, Missouri
600 West Main Street, Room 229
Jefferson City, Missouri, 65102

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of July, 2016, a copy of the foregoing Order to Show Cause why Respondents Should not be Censured, and why Civil Penalties and Other Administrative Relief Should not be Imposed in the above styled case was **mailed by certified U.S. mail to:**

Wealthcare, LLC
2847 S. Ingram Mill, Suite B100
Springfield, Missouri 65804

and

James Barry Watts
1161 State Highway B
Rogersville, Missouri 65742

e-mailed to:

Barry@wctaxadvisors.com

and by hand-delivery to:

Scott Snipkie
Enforcement Counsel
Missouri Securities Division



Marsha Presley
Securities Office Manager