



**COMMISSIONER OF SECURITIES
STATE OF GEORGIA**

In the Matter of

**William Scott Menees,
(CRD #6058228),
Wise Investment Services, LLC
(CRD #163987), and
Mid Atlantic Capital Group, Inc.**

Respondents.

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Case Number: ENSC-150526

CONSENT ORDER

Pursuant to O.C.G.A. § 10-5-71(a)(1) of the Georgia Uniform Securities Act of 2008, O.C.G.A. § 10-5-1, et seq. (“Act”), the Commissioner of Securities for the State of Georgia (“Commissioner”) caused an investigation to be made into William Scott Menees (“Menees”), Wise Investment Services, LLC (“Wise”) and Mid Atlantic Capital Group, Inc. (“Mid Atlantic”) (collectively “Respondents”) to determine whether Respondents had violated the Act or a rule adopted by the Commissioner thereunder (“Rules”). The Commissioner subsequently determined that Respondents had in fact engaged in actions constituting violations of the Act and the Rules. As a result, pursuant to O.C.G.A. § 10-5-73, the Commissioner issued Respondents a Proposed Order Revoking Registration, Barring Registration and Order to Cease and Desist Order and Notice of Opportunity for Hearing dated January 19, 2017 (“Proposed Order”).

On March 23, 2017 Respondents timely requested a pre-hearing conference pursuant to Rule 590-4-6-.12. Respondents’ request for a pre-hearing conference was duly accepted by the Commissioner, thereby tolling the thirty (30) day time period for requesting and setting any formal hearing before the Commissioner. Having considered information provided by Respondents and representations made by Respondents during the pre-hearing conference

period, the Commissioner and Respondents hereby agree to the terms and conditions set forth herein.

CONSENT TO JURISDICTION AND WAIVER

1. Respondents consent to the jurisdiction of the Commissioner over Respondents and this matter pursuant to the Act.

2. Respondents and the Commissioner 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.

3. Respondents neither admit nor deny the Findings of Fact contained here, but agree not to take any action or to make or permit to be made any public statements creating the impression that this Consent Order is without factual basis.

4. Respondents, through the execution of this Consent Order, voluntarily waive their rights to a formal hearing on this matter and to judicial review of this Consent Order.

5. Respondents enter into this Consent Order voluntarily and represent that no threats, offers, promises, or inducements of any kind have been made by the Commissioner or any member, officer, employee, agent, or representative of the Commissioner to induce Respondents to enter into this Consent Order.

FINDINGS OF FACT

6. Menees was registered with the Commissioner as an investment advisor representative until terminating his registration on September 30, 2015. Menees' CRD Number is 6058228. As an investment adviser representative registered with the Commissioner, Menees was subject to the provisions of the Act and the Rules of the Georgia Commissioner of Securities ("Rules"), adopted thereunder.

7. Menees was an investment advisor representative with Wise. Wise is registered with the Commissioner pursuant to O.C.G.A. § 10-5-32 as an investment advisor. Wise is a limited liability company organized in Georgia with a principal office at 4925 Bergen Court, Cumming, Georgia 30040. Wise's CRD Number is 163987.

8. Menees was the only representative and employee associated with Wise. Menees additionally serves as the Chief Compliance Officer ("CCO") for Wise.

9. Wise submitted an ADV-W to terminate its registration with the Commissioner on September 30, 2015.

10. Mid Atlantic is domestic profit corporation that was administratively dissolved by the Georgia Corporations Division on December 7, 2016. Mid Atlantic was formed October 30, 2007 with Menees listed as the sole incorporator. The last known address for Mid Atlantic was 4925 Bergen Court, Cumming, Georgia 30040.

11. The Commissioner mailed Wise an Examination Information Request List dated August 28, 2015 setting forth records and information for the Commissioner's review. The Examination Information Request List was sent Next Day Air through the United Parcel Service ("UPS").

12. On August 29, 2015 UPS attempted to deliver the Examination Information Request List but Menees was unavailable to receive the mailing. UPS attempted to deliver the mailing on August 31, 2015 but Menees refused delivery.

13. On September 4, 2015 a representative of the Commissioner attempted to hand-deliver the Examination Information Request List to Menees but was unable to make contact.

14. On September 8, 2015 a representative of the Commissioner delivered the Examination Information Request List to Menees by electronic mail.

15. On October 1, 2015 the Commissioner held an in-person conference with Menees during which Menees provided documents related the Commissioner's Examination Information Request List. During the in-person conference, Menees refused to answer the Commissioner's questions regarding the activities of Mid Atlantic and the issuance of promissory notes prior to Wise's registration with the Commissioner.

16. From 2009 through 2013, Menees offered and sold promissory notes issued by Mid Atlantic (the "Notes") to at least four (4) investors ("Investors"). Menees offered the Notes as a means to facilitate investment advisory services to the Investors. Respondent was not registered as an investment advisor representative until May 30, 2012. Collectively, Menees and Mid Atlantic received nine hundred forty four thousand dollars (\$944,000.00) from the sale of the Notes. The investors received monthly interest payments according to the terms of the promissory notes until April 2012. No interest payments were made to investors after that time.

17. The proceeds of the of the Notes were deposited into a SunTrust checking account in the name of the Mid Atlantic and Menees and further transferred into a TD Ameritrade trading account in the name of both parties. From September 2008 through June 2012, one million three hundred sixty one thousand eight hundred fifty nine dollars and thirty two cents (\$1,361,859.32)

was deposited into the TD Ameritrade trading account. During the same period, the account experienced trading losses totaling eight hundred twenty one thousand eight hundred eighty nine dollars and thirteen cents (\$821,889.13).

18. Mid Atlantic and Menees used a portion of the proceeds of the Notes to pay business expenses and Menees' personal and family expenses.

19. On March 3, 2015 an Entry of Default ("Default") was filed against Menees, Mid Atlantic and Wise in the United States District Court for the Northern District of Oklahoma. The Default and associated complaint allege that Respondents issued Promissory Notes to investors and alleges that Respondents defaulted under the terms of the Promissory Notes.

20. Question 14I(1)(a) on the Form U4 maintained by the Financial Industry Regulatory Authority ("FINRA") asked "[h]ave you ever been named as a respondent/defendant in an investment-related, consumer-initiated arbitration or civil litigation which alleged that you were involved in one or more sales practice violations and which: (a) is still pending." Menees answered "No" on his Form U4 and never amended this document to reflect the civil complaint filed on behalf of the Investors. Prior to Menees' termination of his registration, the most recent Form U4 amendment was filed on June 1, 2012.

21. On June 22, 2012 a judgment was filed against Menees in the State Court of Forsyth County, Georgia in the favor of Livingston Financial, LLC for twenty seven thousand eight hundred ninety nine dollars and two cents (\$27,899.02).

22. On July 7, 2012 a judgment was filed against Menees in the State Court of Forsyth County, Georgia in the favor of American Express Bank FSB for twenty eight thousand three hundred fifty seven dollars and fifty cents (\$28,357.50).

23. On November 6, 2012 a judgment was filed against Menees in the State Court of Forsyth County, Georgia in the favor of Jeong and Sonia Kim for ten thousand nine hundred thirty two dollars and twenty one cents (\$10,932.21).

24. Question 14M on the U4 asked "[d]o you have any unsatisfied judgments or liens against you[.]" On his Form U4 filings Menees disclosed a judgment for ten thousand seven hundred seventy four dollars (\$10,744.00) filed June 1, 2009 on behalf of Dupont Fibers Federal Credit Union. Menees failed to disclose the judgments by Livingston Financial, LLC, American Express Bank FSB, or Jeong and Sonia Kim on his Form U4.

26. On Menees' termination filing, submitted by Wise, Wise elected to utilize the

optional “Disclosure Certification Checkbox” that certifies that there are no additional disclosures to report at that time and that all current disclosures were previously disclosed on the applicable Form U4.

27. During January 2013 Wise charged Investor 1 performance fees in the amount of \$86.87, while failing to maintain documentation of information sufficient to form a reasonable belief that Investor 1 was a qualified client.

28. During April 2015 Wise charged Investor 2 performance fees in the amount of \$7,821.62, while failing to maintain documentation of information sufficient to form a reasonable belief that Investor 2 was a qualified client.

CONCLUSIONS OF LAW

29. Paragraphs 1 through 28 are incorporated by reference as though fully set forth herein.

30. The Commissioner has jurisdiction over this matter pursuant to the Act.¹

31. Pursuant to O.C.G.A. § 10-5-70, *et seq.*, the Commissioner is authorized to institute this investigation and issue this Order.

32. Pursuant to O.C.G.A. § 10-5-41(a), the Commissioner may condition the registration of an investment advisor representative if the Commissioner find that the revocation is in the public interest and the Commissioner’s action is authorized by § 10-5-41(d).

33. Pursuant to O.C.G.A. § 10-5-41(b), the Commissioner may revoke the registration of an investment advisor if the Commissioner find that the revocation is in the public interest and the Commissioner’s action is authorized by § 10-5-41(d).

34. Pursuant to O.C.G.A. § 10-5-41(d)(2) a person may be disciplined if that person “[w]illfully 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 years.”

35. Pursuant to O.C.G.A. § 10-5-73, the Commissioner is authorized to issue an order directing a party to cease and desist from violations of the Act if the Commissioner determines that a party has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or Rules.

¹ See GA. CODE ANN. §§ 10-5-41, 10-5-70 and 10-5-71 (2009).

36. Pursuant to Rule 590-4-4-.17 an investment advisor is prohibited from assessing performance fees on non-qualified clients. A “qualified client” is defined in Rule 590-4-4-.17(7)(f) as “a person or entity described in Section 205(b)(2), (b)(4) or (b)(5) of the Investment Advisers Act of 1940, a Business Development Company as defined in the Investment Advisers Act of 1940 if the conditions of Section 205(b)(3) are met, or any other person defined as a “Qualified Client” under Rule 205-3(d)(1) under the Investment Advisers Act. Menees and Wise’s charging of a performance fee to non-qualified clients, detailed in paragraphs 26 and 27 above, are violations of Rule 590-4-4-.17 and are actionable events pursuant to O.C.G.A. § 10-5-41(d)(2). Therefore, under O.C.G.A. § 10-5-41(a) and (b) Menees and Wise are subject to discipline.

37. Pursuant to Rule 590-4-4-.05(3), an investment adviser representative is under a continuing obligation to amend their Form U4 as changes occur. Menees’ failure to amend the Form U4 to reflect the civil claims, detailed in paragraphs 21-24 above, is a violation of Rule 590-4-4-.05 and is an actionable event pursuant to O.C.G.A. § 10-5-41(d)(2). Therefore, under O.C.G.A. § 10-5-41(a) Menees is subject to discipline.

III. Order

WHEREFORE, by the authority vested in me as the Commissioner of Securities for the State of Georgia, **IT IS HEREBY ORDERED**:

1. That **William Scott Menees** is prohibited from registration with the Commissioner in any capacity for **ONE YEAR**, prohibited for associating with any organization registered or filed with the Commissioner for **TWO (2) YEARS**, and prohibited from soliciting transactions in any security for **ONE (1) YEAR**. Said prohibitions will commence upon execution of this Consent Order.

2. The registration of **WISE INVESTMENT SERVICES, LLC** as an investment adviser pursuant to O.C.G.A. § 10-5-32 is **REVOKED**.

3. That **WILLIAM SCOTT MENEES CEASE AND DESIST** any and all violations of the Georgia Securities Act of 2008, as amended.

4. That **WISE INVESTMENT SERVICES, LLC CEASE AND DESIST** any and all violations of the Georgia Securities Act of 2008, as amended.


5. That **MID ATLANTIC CAPITAL GROUP, INC. CEASE AND DESIST** any and all violations of the Georgia Securities Act of 2008, as amended.

The entry of this Consent Order is deemed to be in the public interest. If at any time it appears to the Commissioner that Respondents have failed to comply with this Consent Order or has made any other material misrepresentations or omissions in regards to this matter, the Commissioner may take further action.

SO ORDERED this 20th day of September, 2017.

**BRIAN P. KEMP
SECRETARY OF STATE
COMMISSIONER OF SECURITIES**

By:



C. Ryan Germany
Assistant Commissioner of Securities

CONSENT TO ENTRY OF CONSENT ORDER BY WILLIAM SCOTT MENEES, WISE INVESTMENT SERVICES, LLC, AND MID ATLANTIC CAPITAL GROUP, INC

William Scott Menees (“Menees”), Wise Investment Services, LLC (“Wise”), and Mid Atlantic Capital Group, Inc. (“Mid Atlantic”) (collectively “Respondents”) hereby acknowledge that they has been served with a copy of this Consent Order, have read the foregoing Consent Order, are aware of their rights to a hearing and appeal in this matter, and have waived the same.

Respondents admit the jurisdiction of the Georgia Commissioner of Securities and, without admitting or denying the Findings of Facts therein, consent to entry of this Consent Order as settlement of the issues contained in this Consent Order.

Respondents agree that they shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal, or local tax for any administrative monetary penalty that Respondents shall pay pursuant to this Consent Order.

Respondents state that no promise of any kind or nature whatsoever was made to them to induce them to enter into this Consent Order and that they have entered in this Consent Order voluntarily.

Menees represent that he is an officer of Wise and Mid Atlantic and that, as such, has been authorized by Wise and Mid Atlantic to enter into this Consent Order for and on behalf of Wise and Mid Atlantic.

Dated this 14th day of September, 2017

Wise Investment Services, LLC



BY: William Scott Menees

TITLE: CEO/CEO

State of GA

County of Cherokee

SUBSCRIBED AND SWORN TO before me this 14 day of Sept, 2017

[Signature]
Notary Public

My commission expires:

11-17-17

Dated this 14th day of September, 2017

Mid Atlantic Capital Group, Inc.

[Signature]

BY: William Scott Menees

TITLE: Incorporator



State of GA

County of Cherokee

SUBSCRIBED AND SWORN TO before me this 14 day of Sept, 2017

[Signature]
Notary Public

My commission expires:

11-17-17

Dated this 14th day of September, 2017

William Scott Menees

[Signature]

BY: William Scott Menees

TITLE: Individual



State of GA

County of Cherokee

SUBSCRIBED AND SWORN TO before me this 14 day of Sept., 2017

[Signature]
Notary Public

My commission expires:
11-17-17

