

TRAVIS J. ILES
SECURITIES COMMISSIONER



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Texas State Securities Board

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IN THE MATTER OF THE INVESTMENT §
ADVISER REGISTRATION OF QUEEN B §
ADVISORS, LLC AND THE §
INVESTMENT ADVISER §
REPRESENTATIVE REGISTRATION OF §
BROOKLYNN CHANDER WILLY §

Order No. REG20-SUS-04

TO: Brooklynn Chandler Willy, President (CRD No. 5724422)
Queen B Advisors, LLC (CRD No. 306413)
20650 Stone Oak Parkway, #100
San Antonio, TX 78258

DISCIPLINARY ORDER

Be it remembered that Brooklynn Chandler Willy. ("Respondent Willy") and Queen B Advisors, LLC ("Respondent Queen B"), (collectively, "Respondents") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner"), solely for the purpose of resolving an investigation by the Texas State Securities Board, and consented to the entry of this order ("Order") and the Findings of Fact and the Conclusions of Law contained herein.

OVERVIEW

On November 20, 2019, Respondents applied for registration with the Securities Commissioner as an investment adviser representative and investment adviser, respectively. Prior to applying as an investment adviser representative of her own firm, Respondent Willy worked as an investment adviser representative of Global Financial Private Capital, LLC ("GFPC") and conducted investment advisory services under the d/b/a Texas Financial Advisory ("TFA"). In connection with her investment advisory services, Respondent Willy and other agents of TFA recommended that clients purchase certain alternative investments. Respondent Willy never disclosed to GFPC that she was engaging in the sale of alternative investments and was never registered as a dealer or agent of a dealer with the Securities Commissioner. Furthermore, Respondent Willy did

not conduct a reasonable level of due diligence to determine whether the alternative investments were suitable to clients prior to making her recommendations. As such, Respondent Willy's registration with the Securities Commissioner is suspended for one (1) year and Respondents are ordered to comply with the terms of an undertaking wherein Respondents undertake and agree to pay back \$2,750,500 to all clients to whom Respondent Willy sold the alternative investments, and to certain limitations on their registrations.

FINDINGS OF FACT

1. Respondents have waived (a) Respondents' rights to notice and hearing in this matter; (b) Respondents' rights to appear and present evidence in this matter; (c) Respondents' rights to appeal this Order; and (d) all other procedural rights granted to the Respondents by The Securities Act, Tex. Rev. Civ. Stat. Ann. arts. 581-1 to 581-45 ("Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001 to 2001.902.
2. On November 20, 2019, Respondents applied for registration with the Securities Commissioner as an investment adviser representative and investment adviser, respectively.
3. Prior to applying as an investment adviser representative of her own firm, Respondent Willy worked as an investment adviser representative of Global Financial Private Capital, LLC ("GFPC") from March 2014 through April 2019.
4. In April 2019, GFPC was sold to J.W. Cole Advisors, Inc. ("J.W. Cole").
5. On October 1, 2019, Respondent Willy was terminated from J.W. Cole for "violation of firm policies regarding participation in unapproved private securities transactions."

Outside Business Activities

6. GFPC is registered as an investment adviser with the U.S. Securities & Exchange Commission.
7. GFPC's structure was that of an "independent contractor" business model whereby investment adviser representatives could conduct business out of their own branch office through the use of a d/b/a. While investment advisory services were conducted through GFPC, individuals could engage in certain other activities, such as insurance sales, as approved by GFPC.
8. Respondent Willy conducted business under the d/b/a Texas Financial Advisory ("TFA").

9. Initially and on an annual basis thereafter, Respondent Willy was required to inform GFPC in writing of all outside business¹ Respondent Willy was party to, whether related to the securities business or otherwise.
10. Respondent Willy submitted an Outside Business Activity Notification Form through which she disclosed TFA and described her activities as “annuity and life insurance sales and tax preparation.” For these activities she estimated she would be paid an annual salary of \$50,000.
11. Pursuant to Texas regulations, Respondent Willy was also required to submit and keep current an application form (the “Form U4”)².
12. Section 13 of the Form U4 requires the disclosure of other business activities.
13. Respondent Willy submitted a total of eight (8) Form U4 filings from March 2014 through November 2019 in connection with her registration as an investment adviser representative of GFPC, her transfer to J.W. Cole, and her pending registration as an investment adviser representative of Respondent Queen B.
14. Similar to the information provided directly to GFPC, Respondent Willy’s only other business (than investment advisory services) identified on the Form U4 was annuity sales, life insurance sales, and income tax preparation.
15. As an investment adviser representative of GFPC, and pursuant to GFPC’s written supervisory policies and procedures, Respondent Willy’s approved, investment-related activity was limited to “manag[ing] accounts or portfolios of clients for a fee.”

About Texas Financial Advisory

16. According to its website, TFA is a full-service financial planning firm specializing in “comprehensive, holistic planning that goes beyond the numbers” and is a good fit for “Individuals & Families who have accumulated investments and retirement assets of \$250,000 or more; or working professionals with an annual household income of at least \$200,000 – and are disciplined savers.”
17. TFA is comprised of six individuals. Respondent Willy is President & CEO. And she oversees: one associate advisor, two client relationship specialist, one director of community outreach, and one director of first impressions.

¹ GFPC’s onboarding paperwork defined outside business as all employment, contractual or business relationships or interested with any person or entity to which Respondent was a party at any time during her employment with GFPC, whether related to the securities business or otherwise.

² The Form U4 is the Uniform Application for Securities Industry Registration or Transfer.

18. Respondent Willy hosts a weekly radio show during which she shares financial planning tips based on her ten years of experience “helping retirees and pre-retirees prepare their financial freedom roadmap.”
19. Respondent Willy also hosts regular seminars to teach attendees “how to protect [their] family, [their] retirement and [their] life savings” and assists them with “defining and addressing critical steps with their financial goals.”
20. TFA offers individuals a complimentary one-hour comprehensive financial review during which Respondent Willy will review the individuals’ investment objectives.
21. After these reviews, Respondent Willy makes recommendations on how to improve their investments based on their financial goals and then “implements the plan.”
22. Often, implementation included a diversified portfolio of traditional securities, such as stocks, bonds, and mutual funds, managed by Respondent Willy through a platform offered by GFPC and subsequently, J.W. Cole. But it also included recommendations in investments not authorized by GFPC or J.W. Cole.

Unregistered Sales of Securities

23. In 2013, Respondent Willy began working with certain issuers of privately offered promissory notes.
24. One issuer offered promissory notes wherein an investor would make a private loan to a company that was purportedly secured by real estate (the “Real Estate Notes”). In exchange for the loan, investors would be paid monthly interest payments at a fixed annual yield, with a return of principal at the end of a defined term.
25. Another issuer offered promissory notes wherein an investor would make a private loan to a debt collecting agency to assist the debt collector in raising funds to purchase the debt which the debt collector then attempts to collect (the “Debt Notes”). Once collected, the funds would be paid back, with interest, to investors.
26. Respondent Willy, as well as four (4) other individuals working for TFA (the “Agents”), recommended the Real Estate Notes and/or Debt Notes to individuals whom they had a prior business relationship through TFA.
27. Specifically, Respondent Willy and the Agents provided the potential investors with marketing and disclosure materials for the Real Estate and Debt Notes and would facilitate an investor’s transfer of funds to an issuer by assisting with the opening of a self-directed IRA to which the funds for the investment would be wired.

28. As President and CEO of TFA, Respondent Willy oversaw the Agents and the Agents' investment recommendations to TFA clients.
29. From 2013 to 2019, Respondent Willy recommended that at least 13 individuals invest at least \$2,000,000 in the Real Estate Notes.
30. From 2018 to 2019, Respondent Willy recommended that at least 66 individuals invest at least \$10,100,000 in the Debt Notes.
31. For these recommendations, Respondent Willy received commissions of at least \$20,500 from the issuer of the Real Estate Notes and at least \$765,000 from the issuer of the Debt Notes.
32. From 2013 to 2019, the Agents of TFA recommended that at least 23 individuals invest at least \$8,500,000 in the Real Estate Notes.
33. From 2018 to 2019, the Agents of TFA recommended that at least 183 individuals invest at least \$35,000,000 in the Debt Notes.
34. For these recommendations, the Agents and TFA received commissions of at least \$65,000 from the issuer of the Real Estate Notes and at least \$1,900,000 from the issuer of the Debt Notes.
35. Neither Respondent Willy nor TFA was registered with the Securities Commissioner as a dealer or an agent of a dealer during the aforementioned sales period.
36. Furthermore, Respondent Willy never reported to GFPC or on her Form U4 that her activities through TFA included the recommendations of investments in the Real Estate Notes and the Debt Notes.

Unsuitable Recommendations

37. As an investment adviser representative, Respondent Willy owed a duty to clients to have a reasonable basis to believe that an investment or investment strategy was appropriate for the client given their financial profile, investment objectives, and risk tolerance.
38. This duty includes conducting a reasonable level of independent diligence on a potential investment by reviewing the terms of the offering and disclosed investment strategies set forth in various documents, such as private offering memoranda, prospectuses, or other offering materials provided by the issuer, to determine whether the investment could meet clients' investment objectives.

39. For example, one client ("Client A") was 69 years old and retired. Client A was a conservative investor with an investment objective of wealth preservation.
40. In 2018 Respondent Willy sold Client B a \$177,200 investment in a Real Estate Note and a \$35,137 investment in a Debt Note for a total of \$212,337 in the alternative securities.
41. Another client ("Client B") was 53 years old and also retired and a conservative investor. Client's B's investment objectives were wealth preservation and saving for retirement.
42. In 2018, Respondent Willy sold Client B a \$100,000 investment in a Real Estate Note and a \$384,000 investment in a Debt Note for a total of \$484,000 in the alternative securities.
43. Respondent Willy did not have a reasonable basis to believe that recommendations to Clients A and B to invest about half of their liquid assets in the privately offered, illiquid Real Estate Notes and Debt Notes were appropriate investments for Client A and Client B.
44. Respondent Willy failed to conduct a reasonable level of independent due diligence to determine whether the Real Estate Notes and Debt Notes would be appropriate for clients before recommending clients purchase the investments.
45. Because of this, Respondent Willy recommended that these conservative, unsophisticated investors allocate a significant percentage of their assets to the Real Estate Notes and Debt Notes.

CONCLUSIONS OF LAW

1. Respondent Willy acted as a "dealer" as the term is defined in Section 4.C of the Texas Securities Act by recommending clients invest in the Real Estate and Debt Notes and subsequently facilitating the clients' investments.
2. By acting as a dealer when Respondent Willy was not registered as a dealer with the Securities Commissioner, Respondent Willy violated Section 12.A of the Securities Act.
3. Respondent Willy engaged in an inequitable practice in rendering services as an investment adviser by recommending that clients invest in the Real Estate Notes and Debt Notes when such activity was not authorized by GFPC and J.W. Cole.
4. Respondent Willy also engaged in an inequitable practice in rendering services as an investment adviser by not completely disclosing to GFPC and J.W. Cole the business activities of TFA.

5. Respondent Willy's failure to update her Form U4 within thirty (30) days of beginning to recommend the Real Estate Notes and the Debt Notes constitutes a violation of §116.9(a)(6) of the Rules and Regulations of the Texas State Securities Board ("Board Rules").
6. Respondent Willy's recommendations that individuals invest a significant portion of their liquid net worth in Real Estate Note and Debt Notes without a reasonable basis to do so constitute inequitable practices in rendering services as an investment adviser representative.
7. Pursuant to Section 14.A(3), the aforementioned inequitable practices in the rendering of services as an investment adviser representative constitute a basis for the issuance of an order suspending Respondent Willy's applications for registration with the Securities Commissioner.
8. Pursuant to Section 14.A(6) of the Securities Act, the aforementioned violations of the Texas Securities Act and Board Rules constitute bases for the issuance of an order suspending Respondent Willy's registration with the Securities Commissioner.

UNDERTAKING

1. Respondents undertake and agree that within ninety (90) days from the date this Order is entered, Respondents will pay \$2,750,500, an amount totaling the amount of commissions received by Respondent Willy for the sale of the Real Estate Notes and Debt Notes to all clients to whom Respondent Willy sold the Real Estate Notes and Debt Notes.
2. Respondents further undertake and agree that within fifteen (15) days from the date the last payment is made pursuant to item one, above, Respondents will provide legal counsel for the Inspections & Compliance Division of the Texas State Securities Board ("Counsel") with evidence that Respondent has made the repayment.
3. Respondents further undertake and agree that Respondents will not have any discretionary trading authority over any client accounts for a period of five (5) years from the date this Order is entered by the Securities Commissioner.
4. Respondents further undertake and agree that in connection with rendering services as an investment advisor and investment advisor representative, respectively, Respondents will not recommend the purchase of any alternative

investment³ for a period of five (5) years from the date this Order is entered by the Securities Commissioner.

5. Respondents further undertake and agree that in connection rendering services as an investment advisor and investment advisor representative, respectively, Respondents will not refer any client or prospective client to any investment adviser that acts as an investment adviser to any alternative investment or recommends alternative investments in connection with the rendering of services as an investment adviser for a period of five (5) years from the date this Order is entered by the Securities Commissioner.
6. Respondents further undertake and agree to retain an independent outside consultant ("Compliance Consultant") that is not unacceptable to the Staff within nine (9) months from the date Respondent Willy's suspension ends, but no sooner than six (6) months from the date Respondent Willy's suspension ends.
7. Respondents agree to submit, at least ten (10) days prior to retaining the Compliance Consultant, a letter to Counsel identifying: the Compliance Consultant; the Compliance Consultant's experience in the securities industry; and all pre-existing personal and business relationships between the Compliance Consultant and Respondents.
8. Respondents agree to retain the Compliance Consultant to complete a review of Respondents' business activities ("Review") within ninety (90) days from the date this Order is entered by the Securities Commissioner. The Review will examine Respondents' business activities to monitor for compliance with all applicable securities laws.
9. Respondents agree to require the Compliance Consultant to deliver to Respondents, within thirty (30) days of the Review, a report ("Report") describing the areas the Compliance Consultant reviewed and its findings and recommendations.
10. Respondents agree to submit to Counsel within thirty (30) days of receiving the Report: (1) the Report; (2) a statement identifying all corrective measures taken by Respondents in response to the Report; and (3) a statement identifying the reason(s) for not following any of the Compliance Consultant's recommendations.
11. Respondent agrees to deliver to Counsel, any written or oral complaints within ten (10) days of when Respondents receive such complaint.

³ For the purposes of this probation, "alternative investment" shall include: non-listed REITs, non-listed Business Development Companies and any security sold pursuant to a private offering.

ORDER

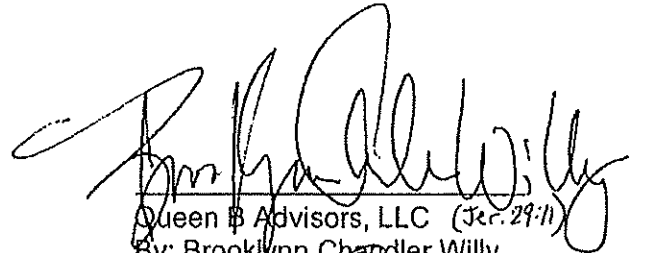
1. It is therefore ORDERED that the registration of Queen B Advisors, LLC as an investment adviser with the Securities Commissioner is hereby GRANTED.
2. It is further ORDERED that Queen B Advisors, LLC COMPLY with the terms of the undertaking contained herein.
3. It is further ORDERED that the registration of Brooklynn Chandler Willy as an investment adviser representative of Queen B Advisors, LLC with the Securities Commissioner is hereby GRANTED.
4. It is further ORDERED that the Brooklynn Chandler Willy as an investment adviser representative of Queen B Advisors, LLC with the Securities Commissioner is hereby SUSPENDED for a period of one (1) year.
5. It is further ORDERED that Brooklynn Chandler Willy COMPLY with the terms of the undertaking contained herein.

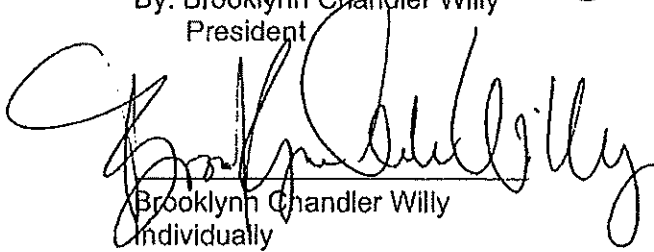
SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 16th
day of October, 2020.



TRAVIS J. ILES
Securities Commissioner

Respondents:


 Queen B Advisors, LLC (Jec. 29:11)
 By: Brooklynn Chandler Willy
 President

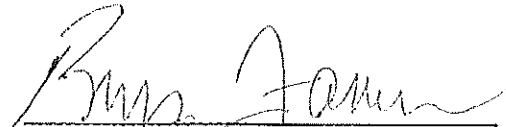

 Brooklynn Chandler Willy
 Individually

Approved as to Form:

 Clinton Edgar
 Deputy Securities Commissioner

 David Abell
 Attorney for Respondents

 Cristi Ramón Ochoa
 Attorney
 Inspections and Compliance Division



 Bryan Forman
 Attorney for Respondents

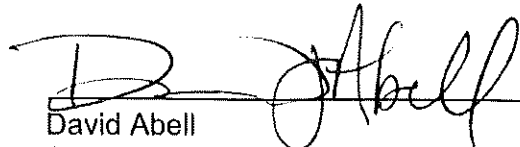
Respondents:

Queen B Advisors, LLC
By: Brooklynn Chandler Willy
President

Brooklynn Chandler Willy
Individually

Approved as to Form:

Clinton Edgar
Deputy Securities Commissioner



David Abell
Attorney for Respondents

Cristi Ramón Ochoa
Attorney
Inspections and Compliance Division

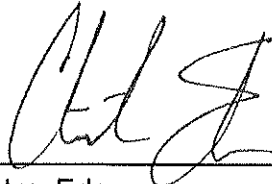
Bryan Forman
Attorney for Respondents

Respondents:

Queen B Advisors, LLC
By: Brooklynn Chandler Willy
President

Brooklynn Chandler Willy
Individually

Approved as to Form:



Clinton Edgar
Deputy Securities Commissioner

David Abell
Attorney for Respondents



Cristi Ramón Ochoa
Attorney
Inspections and Compliance Division

Bryan Forman
Attorney for Respondents