

TRAVIS J. ILES
SECURITIES COMMISSIONER

CLINTON EDGAR
DEPUTY SECURITIES COMMISSIONER

Mail: P.O. BOX 13167
AUSTIN, TEXAS 78711-3167

Phone: (512) 305-8300
Facsimile: (512) 305-8310



Texas State Securities Board

208 E. 10th Street, 5th Floor
Austin, Texas 78701-2407
www.ssb.texas.gov

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MEMBER

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MEMBER

IN THE MATTER OF INVESTMENT
ADVISER REGISTRATION OF
LEGACY WEALTH ADVISORS, INC.

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Order No. IC21-CAF-03

TO: Legacy Wealth Advisors, Inc. (CRD No. 114868)
Danny J. Frazell, President
2001 Bates Drive, Suite 100
Waxahachie, TX 75167

DISCIPLINARY ORDER

Be it remembered that Legacy Wealth Advisors, Inc. ("Respondent"), appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order") and the Findings of Fact and the Conclusions of Law contained herein.

FINDINGS OF FACT

1. Respondent has waived (a) Respondent's rights to notice and hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to the Respondent by the Securities Act, Tex. Rev. Civ. Stat. Ann. Arts. 581-1 to 581-45 (West, Westlaw through 2019 R. Sess.) ("Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001 to 2001.902 (West, Westlaw through 2019 R. Sess.).
2. Respondent registered with the Securities Commissioner as an investment adviser on February 16, 2000. This registration is currently effective.

Respondent's Failures to Renew Registration

3. On December 31, 2018, Respondent failed to timely pay annual registration renewal fees to register Respondent and its three investment adviser representatives for the upcoming calendar year; however, on January 24, 2019, Respondent paid the late renewal fees for Respondent and one of its investment adviser representatives, and the registrations were renewed.

4. But then again on December 31, 2019, Respondent failed to timely pay annual registration renewal fees for Respondent and the one licensed investment adviser representative to register for the upcoming year.
5. On February 22, 2021, Respondent paid the renewal fees and Respondent's and the investment adviser representative's registrations with the Securities Commissioner were renewed and are currently effective.

Respondent's Unregistered Activity

6. On March 30, 2021, the staff of the Texas State Securities Board (the "Staff") conducted an inspection of Respondent's business activities (the "Inspection").
7. During the course of the Inspection, the Staff identified that Respondent and its representatives had rendered investment advisory services during the aforementioned periods when their registrations had lapsed for failing to renew.
8. Specifically, from January 1, 2020, through February 21, 2021, Respondent and one investment adviser representative were rendering investment advisory services for compensation at a time when neither Respondent nor the individual were registered with the Securities Commissioner.
9. One other individual remained unlicensed at the time of the Inspection because his registration was never renewed after lapsing on December 31, 2018. Yet he was rendering investment advisory services for compensation on behalf of Respondent during this time.

Respondent's Inadequate Supervisory System

10. Section 12.B of the Texas Securities Act, prohibits a person from rendering services as an investment adviser or investment adviser representative in Texas unless the person is registered under the Texas Securities Act, submits a notice filing as provided by Section 12-1 of the Texas Securities Act, or is otherwise exempt.
11. Section 116.10 of the Rules and Regulations of the Texas State Securities Board ("Board Rules") requires that each registered investment adviser establish and maintain a written system to supervise the activities of its investment adviser representatives that is reasonably designed to achieve compliance with the Texas Securities Act and Board Rules.
12. The Staff found that Respondent had not established any written supervisory procedures that were reasonably related to its investment advisory activities, including provisions regarding Texas registration and renewal requirements.

13. Further, Respondent's supervisory system was not otherwise designed to ensure timely renewal of registrations or identify potential periods of unregistered activity of its investment adviser representatives.

CONCLUSIONS OF LAW

1. From January 1, 2020, through February 21, 2021, Respondent violated Section 12.B of the Texas Securities Act by rendering services as an investment adviser (as such term is defined in Section 4.P of the Texas Securities Act) in Texas at a time when Respondent was not registered with the Securities Commissioner as an investment adviser.
2. Respondent's failure to establish written supervisory procedures reasonably related to its activities as an investment adviser constitutes a failure to establish and maintain a written supervisory system that is reasonably designed to achieve compliance with the Texas Securities Act and Board Rules and is a violation of §116.10 of the Board Rules.
3. Respondent's failure to establish a reasonable supervisory system regarding the registration requirements of its investment adviser representatives constitutes a failure to establish and maintain a written supervisory system that is reasonably designed to achieve compliance with the Texas Securities Act and Board Rules and is a violation of §116.10 of the Board Rules.
4. Pursuant to Section 14.A(6) of the Texas Securities Act, Respondent's violation of Section 12.B of the Texas Securities Act constitutes a basis for the issuance of an order reprimanding Respondent.
5. Pursuant to Section 14.A(6) of the Texas Securities Act, Respondent's violation of § 116.10 of the Board Rules constitutes a basis for the issuance of an order reprimanding Respondent.
6. Pursuant to Section 23-1 of the Texas Securities Act, Respondent's violation of Section 12.B of the Texas Securities Act constitutes a basis for the assessment of an administrative fine against Respondent.

UNDERTAKING

1. Respondent undertakes and agrees to retain an independent outside consultant ("Compliance Consultant") that is not unacceptable to the Staff within thirty (30) days of the date of this Order.

2. Respondent further undertakes and agrees to submit, at least ten (10) days prior to retaining the Compliance Consultant, a letter to counsel for the Inspections & Compliance Division of the Texas State Securities Board ("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 Respondent.
3. Respondent further undertakes and agrees to retain the Compliance Consultant to complete a review ("Review") no later than within sixty (60) days of the date of this Order. The Review will examine Respondent's business activities to monitor for compliance with all applicable securities laws and will specifically include assisting Respondent with establishing written supervisory procedures, developing a business continuity plan, and addressing any other issues identified by the Staff during the Inspection.
4. Respondent further undertakes and agrees to require the Compliance Consultant to deliver to Respondent, within thirty (30) days of the Review, a report ("Report") describing the areas the Compliance Consultant reviewed and its findings and recommendations.
5. Respondent further undertakes and agrees to submit to Counsel within thirty (30) days of receiving the Report: (1) the Report; and (2) a statement identifying all corrective measures taken by Respondent in response to the Report; (3) and a statement identifying the reason(s) for not following any of the Compliance Consultant's recommendations.

ORDER

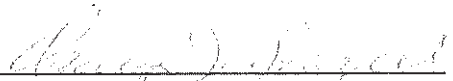
1. It is therefore ORDERED that Legacy Wealth Advisors, Inc. is hereby REPRIMANDED.
2. It is further ORDERED that Legacy Wealth Advisors is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Fifteen Thousand Dollars (\$15,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Fifteen Thousand Dollars (\$15,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.
3. It is further ORDERED that Legacy Wealth Advisors, Inc. COMPLY with the terms of the undertaking contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 30th
day of July, 2021.



TRAVIS J. ILES
Securities Commissioner


Respondents:



Legacy Wealth Advisors, LLC
By: Danny J. Frazell, President

Approved as to Form:

Clinton Edgar,
Deputy Securities Commissioner

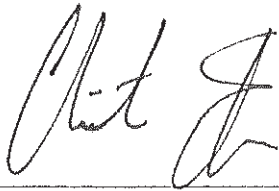


Cristi Ramón Ochoa,
Attorney
Inspections and Compliance Division

Respondents:

Legacy Wealth Advisors, LLC
By: Danny J. Frazell, President

Approved as to Form:



Clinton Edgar,
Deputy Securities Commissioner

Cristi R. Ochoa

Cristi Ramón Ochoa,
Attorney
Inspections and Compliance Division