

TRAVIS J. ILES
SECURITIES COMMISSIONER



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Texas State Securities Board

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MEMBER

MIGUEL ROMANO, JR.
MEMBER

IN THE MATTER OF THE §
INVESTMENT ADVISER §
REGISTRATION OF §
TK2 ADVISERS LLC §

Order No. IC18-CAF-02

TO: Daniel Joseph Kibert, Managing Director
TK2 Advisers LLC. (CRD No. 170075)
943 Alexander
Houston, Texas 77008

DISCIPLINARY ORDER

Be it remembered that TK2 Advisers LLC ("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 right 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 2010 & Supp. 2017) ("Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001 to 2001.902 (West 2008 & Supp. 2017) ("Administrative Procedure Act").
2. On May 23, 2014, Respondent registered with the Securities Commissioner as an investment adviser. This registration is currently effective.

Failures to Renew Registration

3. Section 19.A of the Texas Securities Act provides that the registration of an investment adviser with the Securities Commissioner shall expire at the end of the calendar year, and the payment of the annual renewal fee will renew the investment adviser's registration for the upcoming year.
4. Annual renewal fees are generally paid through the Investment Advisory Registration Depository ("IARD") system.
5. All that is required of the investment adviser to renew their registration is to fund their Flex Funding Account with IARD prior to a designated date in December, and IARD will then disburse the renewal fee to the agency prior to the end of the calendar year.
6. IARD provides information on this process via its website and sends multiple reminder notices to all registered investment advisers prior to the account funding deadline.
7. On December 31, 2015, Respondent's registration as an investment adviser expired for failing to pay the required renewal fees.
8. Section 19.C of the Texas Securities Act provides for the renewal of an expired registration if the registration has been expired for less than two (2) years by paying all unpaid renewal fees, plus an additional fee equal to or one-half of the fee for an original application fee for registration, depending on the time period the registration was expired.
9. Respondent submitted the appropriate late renewal fees on October 24, 2017, at which time Respondent's registration was renewed for the remainder of the calendar year 2017.
10. Accordingly, from January 1, 2016 until October 24, 2017, Respondent was not registered with the Securities Commissioner as an investment adviser.
11. On December 31, 2017, Respondent's registration once again expired for failing to pay renewal fees. Respondent submitted the appropriate late renewal fees on January 30, 2018, at which time Respondent's registration was renewed for the remainder of this calendar year.
12. Accordingly, from January 1, 2018 until January 30, 2018, Respondent was not registered with the Securities Commissioner as an investment adviser.

Failures to Update Registration Form

13. Pursuant to §101.2 and §133.33(a)(5) of the Rules and Regulations of the Texas State Securities Board ("Board Rules"), the Uniform Application for Investment Adviser Registration ("Form ADV") has been adopted for the purpose of implementing the Texas Securities Act and has the same force and effect as a Board Rule.
14. The Form ADV consists of the Part 1, which is the registration form, and the Part 2, which is the primary disclosure document that investment advisers provide to their clients.
15. The General Instructions of the Form ADV require investment advisers to amend the Form ADV each year by filing an annual updating amendment within ninety (90) days after the end of the investment adviser's fiscal year. Additionally, material changes to the Part 2 should be provided to clients on an annual basis.
16. Respondent has never updated the Form ADV since the approval of Respondent's registration in May 2014.
17. Notably, the current Form ADV on file with the Securities Commissioner and reviewed by the Staff during an inspection reflects that Respondent provided investment advice to zero clients and had zero dollars in assets under management, when in fact Respondent has eight (8) clients and approximately \$6,800,000 in assets under management.

CONCLUSIONS OF LAW

1. Pursuant to Section 12.B of the Texas Securities Act, a person may not render services as an investment adviser in Texas unless registered with the Securities Commissioner.
2. During the relevant period of January 1, 2016 through January 30, 2018, Respondent rendered services as an investment in Texas, as defined by Section 4.N of the Texas Securities Act.
3. By rendering services as an investment adviser in Texas for the periods January 1, 2016 through October 23, 2017, and January 1, 2018 through January 29, 2018, during which time Respondent was not registered as an investment adviser with the Securities Commissioner, Respondent violated Section 12.B of the Texas Securities Act.
4. Respondent's failures to update the Form ADV were violations of §101.2 and §133.33(a)(5) of the Board Rules.

5. Pursuant to Section 14.A(6) of the Texas Securities Act, the aforementioned violations of the Texas Securities Act and Board Rules provide a basis for the issuance of an Order reprimanding Respondent.

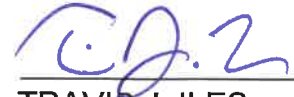
UNDERTAKING

1. Respondent undertakes and agrees to retain an independent outside consultant ("Compliance Consultant") that is not unacceptable to Staff within thirty (30) days of the date this Undertaking is filed with the Securities Commissioner.
2. Respondent further undertakes and agrees 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 Respondent.
3. Respondent further undertakes and agrees to retain the Compliance Consultant to perform a review ("Review") within sixty (60) days of the date this Undertaking is filed with the Securities Commissioner, and at least once a year thereafter for a period of two (2) years. The Review will audit Respondent's business activities to monitor for compliance with all applicable securities laws, including the issues identified in this Order.
4. Respondent further undertakes and agrees to require the Compliance Consultant to deliver to Respondent, within thirty (30) days of each Review, a report ("Report") describing the areas Compliance Consultant reviewed and its findings and recommendations.
5. Respondent further undertakes and agrees to submit to legal counsel for the Inspections and Compliance Division of the Texas State Securities Board ("Counsel") within fifteen (15) days of receiving each Report: (1) the Report; and (2) a statement identifying all corrective measures taken by Respondent in response to the Report and stating the reason(s) for not following any of the Compliance Consultant's recommendations.

ORDER

1. It is therefore ORDERED that TK2 Advisers LLC is hereby REPRIMANDED.
2. It is further ORDERED that TK2 Advisers LLC shall COMPLY with the terms of the Undertaking contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 15th
day of August, 2018.



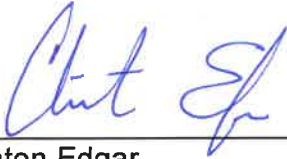
TRAVIS J. ILES
Securities Commissioner

Respondent:

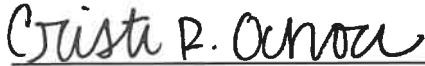


Daniel Joseph Kibert
Managing Director
TK2 Advisers, LLC

Approved as to Form:



Clinton Edgar
Deputy Securities Commissioner



Cristi Ochoa
Attorney
Inspections & Compliance Division

ACKNOWLEDGMENT

On this 29 day of July, 2018, TK2 Advisers LLC ("Respondent"), by and through Daniel Joseph Kibert, its Managing Director, appeared before me, executed the foregoing Order, and acknowledged that:

1. Daniel Joseph Kibert is duly authorized to enter into the foregoing Order on behalf of Respondent;
2. Daniel Joseph Kibert has read the foregoing Order and Undertaking contained therein;
3. Respondent has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and
5. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.

Katie Muecke

Notary Public in and for
The State of



My commission expires on

5/11/2022