

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER



JOHN R. MORGAN  
DEPUTY SECURITIES COMMISSIONER

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## Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
www.ssb.state.tx.us

JACK D. LADD  
CHAIRMAN

BRYAN K. BROWN  
MEMBER

BETH ANN BLACKWOOD  
MEMBER

WILLIAM R. SMITH  
MEMBER

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MEMBER

IN THE MATTER OF §  
THE INVESTMENT ADVISER REGISTRATION OF §  
INTERNATIONAL WEALTH MANAGEMENT, INC. §  
AND THE INVESTMENT ADVISER §  
REPRESENTATIVE REGISTRATION OF §  
DENNIS ROBERT CARPENTER §

**Order No. IC08-CAF-03**

TO: Dennis Robert Carpenter, President  
International Wealth Management, Inc. (IARD No. 114682)  
1340 S. Main Street, Suite 301  
Grapevine, TX 76051

Dennis Robert Carpenter (CRD No. 1607582)  
International Wealth Management, Inc.  
1340 S. Main Street, Suite 301  
Grapevine, TX 76051

### DISCIPLINARY ORDER

Be it remembered that International Wealth Management, Inc. ("Respondent IWM"), by and through, Dennis Robert Carpenter, its President, and Dennis Robert Carpenter ("Respondent Carpenter"), individually (collectively "Respondents"), appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order"), the Undertaking incorporated by reference herein, and the Findings of Fact and the Conclusions of Law contained herein.

### FINDINGS OF FACT

1. Respondents have waived (a) Respondents' right to notice and hearing in this matter; (b) Respondents' right to appear and present evidence in this matter; (c) Respondents' right to appeal this Order; and (d) all other procedural rights granted to Respondents by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2007) ("Texas Securities Act") and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2000 & Supp. 2007) ("Administrative Procedure Act").
2. On or about January 1, 1996, Respondent IWM registered with the Securities Commissioner as an investment adviser, which is currently effective.

3. On or about January 1, 1996, Respondent Carpenter registered with the Securities Commissioner as an investment adviser representative for Respondent IWM, which is currently effective.
4. Pursuant to §116.15(1)(A) of the Rules and Regulations of the Texas State Securities Board ("Board Rules), an advertisement of a registered investment adviser may not use or refer to testimonials, including any statement of a client's experience or endorsement.
5. On or about June 22, 2005, the staff of the Texas State Securities Board performed an inspection (the "Inspection") of the investment advisory activities of Respondents. The Inspection discovered that in or about March 2005, April 2005, May 2005, June 2005, July 2005, and August 2005, Respondents advertised or caused to be advertised to the general public in LIVING MAGAZINE the following statements by KM, LO and HM:
  - a. "His patience, no pressure, and time spent educating us is greatly appreciated." – KM;
  - b. "His Christian attitude at a difficult time in my life was wonderful." – LO
  - c. "The ideas, recommendations, and suggestions you made for us have been invaluable." - HM
6. On or about May 2, 2002, June 5, 2002, March 5, 2004, November 30, 2004, December 7, 2004 and April 28, 2006, Respondent Carpenter filed Uniform Application for Securities Industry Registration or Transfer forms ("Form U-4s") with the Securities Commissioner.
7. Pursuant to §101.2(c) and §133.33(a) of the Board Rules, certain forms required to be filed with the Securities Commissioner, including the Form U-4, have been adopted as Board Rules and have the same force and effect.
8. Pursuant to §115.2(e)(2) of the Board Rules, uniform forms submitted through the CRD maintained by FINRA, including the Form U-4, that designate the State of Texas as a jurisdiction in which the filing is to be made, are deemed to be filed with the Securities Commissioner and constitute official records of the Texas State Securities Board.
9. Pursuant to §116.9(a)(6) of the Board Rules, Respondent Carpenter was required to report to the Securities Commissioner, within thirty (30) days, any change in information previously disclosed to the Securities Commissioner on any application form or filing.
10. Item No. 13, Other Business, of the Forms U-4 required Respondent Carpenter to provide details including name, nature of business and position, for any other business engaged in as a proprietor, partner, officer, director, employee, trustee, agent or otherwise.
11. From on or about July 11, 2000 to the present, Respondent Carpenter has been the president and managing member of Shelburne Management, LLC, a Texas

limited liability company. Respondent Carpenter represents that Shelburne Management, LLC's, only business is to serve as general partner of Shelburne Company, Ltd., a Texas real estate limited partnership whose partners are members of Respondent Carpenter's family. Respondent Carpenter further represents that he has managed the real estate assets of Shelburne Company, Ltd., as managing member of Shelburne Management, LLC.

12. From on or about March 11, 2005 to March 12, 2005, Respondent Carpenter served as an officer and managing member of GCFI, LLC, a Texas limited liability company. Respondent Carpenter represents that GCFI, LLC's only business was to serve as general partner of GCF-OP, LP, a Texas limited partnership whose partners were members of Respondent Carpenter's family and whose only business was truck leasing. Respondent Carpenter further represents that he managed the assets of GCF-OP, LP, as managing member of GCFI, LLC.
13. On the April 28, 2006 Form U-4, Respondent Carpenter first reported to the Securities Commissioner his engagement in the businesses of Shelburne Management, LLC, Shelburne Company, Ltd., GCFI, LLC and GCF-OP, LP.
14. From at least on or about January 1, 2002 to the present, Respondent Carpenter has not reported to the Securities Commissioner, on his Form U-4s, that he operated other business as an insurance agent.
15. Pursuant to Section 14.A(6) of the Texas Securities Act, the Securities Commissioner may revoke or suspend a registration, and/or reprimand a registered person, if the person has violated any provision of the Texas Securities Act or Board Rules.
16. Pursuant to Section 23-1 of the Texas Securities Act, the Securities Commissioner may assess an administrative fine against any person or company found to have engaged in any act or practice that violates the Texas Securities Act or Board Rules.

#### CONCLUSIONS OF LAW

1. From on or about March 2005 through on or about August 2005, the statements by KM, LO and HM in Respondents' advertisements were testimonials which constituted violations of §116.15(1)(A) of the Board Rules.

2. Respondents filing of incorrect information with the Securities Commissioner on Respondent Carpenter's Form U-4s constitute violations of Board Rules.
3. Respondents failures to adequately disclose to the Securities Commissioner, within thirty (30) days, changes in information previously disclosed on Respondent Carpenter's Form U-4 constitute violations of §116.9(a)(6) of the Board Rules.
4. Pursuant to Section 14.A(6) of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order reprimanding a registered investment adviser and a registered investment adviser representative.
5. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations of the Board Rules constitute bases for the issuance of an order assessing an administrative fine against an investment adviser and an investment adviser representative.

#### ORDER

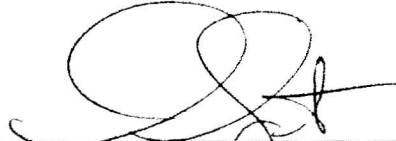

1. It is ORDERED that International Wealth Management, Inc. and Dennis Robert Carpenter are hereby REPRIMANDED.
2. It is further ORDERED that International Wealth Management, Inc. is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Five Thousand Dollars (\$5,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Five Thousand Dollars (\$5,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.
3. It is further ORDERED that Dennis Robert Carpenter is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of Five Thousand Dollars (\$5,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Five Thousand Dollars (\$5,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.
4. It is further ORDERED that International Wealth Management, Inc. and Dennis Robert Carpenter COMPLY with the terms of the Undertaking, incorporated by reference herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 7<sup>th</sup>  
day of May, 2008.


  
DENISE VOIGT CRAWFORD  
Securities Commissioner

Respondents:

International Wealth Management, Inc.

  
\_\_\_\_\_  
Dennis Robert Carpenter, President  
\_\_\_\_\_  
Dennis Robert Carpenter, Individually

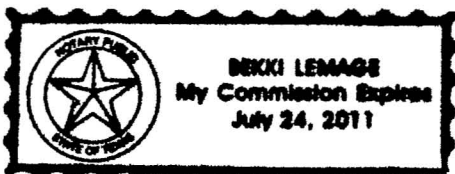
Approved as to Form:

  
\_\_\_\_\_  
Benette L. Zivley  
Director  
Inspections and Compliance Division  
\_\_\_\_\_  
Lee Polson  
Strasburger & Price, LLP  
Attorney for Respondents

## ACKNOWLEDGMENT

On the 29<sup>th</sup> day of April, 2008, International Wealth Management, Inc. ("Respondent IWM"), by and through Dennis Robert Carpenter, its President, appeared before me, executed the foregoing Order, and acknowledged that:

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



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A handwritten signature in black ink, appearing to be "Dekki Lemage", written over a horizontal line.

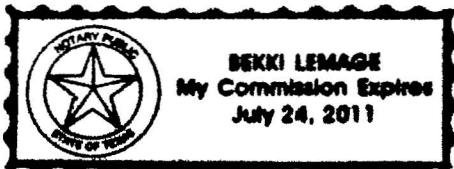
Notary Public in and for  
The State of TX

My commission expires on: July 24, 2011


### ACKNOWLEDGMENT

On the 29<sup>th</sup> day of April, 2008, Dennis Robert Carpenter ("Respondent Carpenter") personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Respondent Carpenter has read the foregoing Order;
2. Respondent Carpenter has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent Carpenter knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and
4. Respondent Carpenter, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.



[affix notary seal here]

  
\_\_\_\_\_  
Notary Public in and for  
The State of TX

My commission expires on: July 24, 2011  
2011 888