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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.state.tx.us

IN THE MATTER OF
THE INVESTMENT ADVISER
REGISTRATION OF
RONALD EUGENE HARRISON

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§

Order No. IC16-SUS-01

TO: Ronald Eugene Harrison (CRD No. 2333752)
Fox Wealth Advisors LLC
2129 North Josey Lane
Carrollton, TX 75006

CONSENT ORDER

Be it remembered that Ronald Eugene Harrison ("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 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 581-43 (West 2010 & Supp. 2015)("Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001 to 2001.902 (West 2008 & Supp. 2015)("Administrative Procedure Act").
2. During the period from August 20, 2009 through March 14, 2012, Respondent was registered as an agent of Fox Financial Management Corporation ("FFMC"). FFMC ceased its registration as a dealer with the Securities Commissioner on December 24, 2013.
3. On or about August 10, 2015, Respondent registered with the Securities Commissioner as an investment adviser representative of Fox Wealth Advisors LLC. This registration is currently effective.

Unregistered Sales of Securities

4. In and around September 2009, Respondent engaged in the sale of investments issued by a company named Retirement Value, LLC ("RV"). The investments were through RV's "Resale Life Insurance Policy Program" ("RSLIP Program"). The investments in the RSLIP Program were structured as loans to RV, which would be used to fund RV's purchase of life settlements. The investments were to be secured by designating each investor as an "irrevocable co-beneficiary" on selected life settlement policies.
5. Respondent received commissions in exchange for his sales of the investments in the RSLIP Program.
6. Respondent was registered as an agent of FFMC at the time he sold the RSLIP Program investments. However, his sales of the investments in the RSLIP Program were not on behalf of FFMC, nor any other registered dealer, but were instead on behalf of RV. Furthermore, during the relevant period, Respondent was not registered as a dealer with the Securities Commissioner.

Unsuitable Recommendation

7. In 2015, a Texas investor ("Complainant") submitted a complaint to the Texas State Securities Board regarding Respondent's sale of investments in the RSLIP Program to the Complainant.
8. In or about September 2009, Respondent sold the Complainant a \$400,000 investment in the RSLIP Program. In exchange for this sale, Respondent received \$40,000 in commissions.
9. Investments in the RSLIP Program were completely illiquid until the investments reached maturity, which was an unknown time period because maturity depended on the death of the person(s) associated with selected life insurance policies.
10. At the time Respondent sold the investment in the RSLIP Program, the Complainant was 63 years old and retired. The Complainant's retirement portfolio was her primary source of income, which Respondent knew. Nonetheless, Respondent recommended the RSLIP Program investment to the Complainant.
11. Respondent did not have a reasonable basis to believe that a \$400,000 investment in the RSLIP Program was suitable for the Complainant.
12. In March 2010, the Securities Commissioner of Texas issued an Emergency Cease and Desist Order against RV after finding, in part, that RV had engaged in securities fraud in connection with the RSLIP Program. In May 2010, RV was placed into receivership.

CONCLUSIONS OF LAW

1. The investments in the RSLIP Program constitute “securities” as the term “securities” is defined by Section 4.A of the Texas Securities Act.
2. Respondent acted as an “agent” as the term “agent” is defined by Section 4.D of the Texas Securities Act.
3. Respondent’s sales of the RSLIP Program investments as an agent of RV at a time when Respondent was not registered with the Securities Commissioner as an agent of that particular dealer constitute violations of Section 12.A of the Texas Securities Act.
4. Respondent’s recommendation of the RSLIP Program investment to the Complainant without a reasonable basis to believe that the investment was suitable for the Complainant constitutes an inequitable practice in the sale of securities.
5. Pursuant to Section 14.A(3) of the Texas Securities Act, the aforementioned inequitable practice in the sale of securities constitutes a basis for the suspension of Respondent’s registration with the Securities Commissioner.
6. Pursuant to Section 14.A(6) of the Texas Securities Act, Respondent’s violations of the Texas Securities Act constitute bases for the suspension of Respondent’s registration with the Securities Commissioner.
7. Pursuant to Section 23.A of the Texas Securities Act, Respondent’s violations of the Texas Securities Act constitute bases for the issuance of a cease and desist Order prohibiting Respondent from acting as an unregistered agent.

UNDERTAKING

1. Respondent undertakes and agrees to repay to the Complainant a portion of the commissions Respondent earned based on his sale of the RSLIP Program investment to Complainant. Accordingly, Respondent undertakes and agrees to deliver to the Complainant a cashier’s check in the amount of five thousand dollars (\$5,000.00) within forty-five (45) days of the entry of this Order.
2. Respondent further undertakes and agrees that the Complainant will not be required to waive any claims against the Respondent and/or any affiliated entities in exchange for the repayment described above.

ORDER

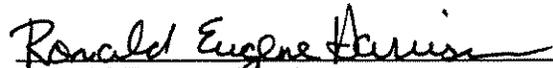
1. It is therefore ORDERED that the investment adviser representative registration of Ronald Eugene Harrison with the Securities Commissioner is hereby SUSPENDED for a period of ninety (90) days.

2. It is further ORDERED that Ronald Eugene Harrison CEASE AND DESIST from acting as an unregistered agent in violation of the Texas Securities Act.
3. It is further ORDERED that Ronald Eugene Harrison COMPLY with the terms of the Undertaking contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 16th day of February, 2016.


JOHN MORGAN
Securities Commissioner

Respondent:


Ronald Eugene Harrison

Approved as to Form:


Ronak V. Patel
Deputy Securities Commissioner

ACKNOWLEDGMENT

On the 10th day of February, 2016, Ronald Eugene Harrison ("Respondent") personally appeared before me, executed the foregoing Order and acknowledged that:

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



Notary Public in and for
the State of Texas

[affix notary seal here]

My commission expires on: 11/10/18

