

BEFORE THE DIVISION OF INSURANCE  
DEPARTMENT OF LABOR AND REGULATION  
STATE OF SOUTH DAKOTA

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IN THE MATTER OF	)	CONSENT ORDER
WEALTH PLUS OF THE DAKOTA'S INC.	)	

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In resolution of the above matter and in lieu of issuance of a Notice of Hearing and a formal hearing, the undersigned parties do hereby agree to the following:

WEALTH PLUS OF THE DAKOTA'S INC. ("WEALTH PLUS"), whose address of record 405 8<sup>TH</sup> Ave, NW Suite 208, Aberdeen, SD 57401 is a corporation which has applied for a business entity insurance license in the State of South Dakota. WEALTH PLUS is also a registered investment adviser in the State Of South Dakota;

WEALTH PLUS is aware that the South Dakota Division of Insurance ("Division") has conducted an investigation of its application and invest adviser activities in South Dakota;

The Division has alleged the following:

- 1) WEALTH PLUS provided incorrect, misleading, incomplete, or materially untrue information in the license application, in violation of SDCL § 58-30-167(1);
- 2) WEALTH PLUS has had an insurance producer license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory, in violation of SDCL § 58-30-167(9);
- 3) WEALTH PLUS failed to report an administrative action taken by another jurisdiction or governmental agency within 30 days, in violation of SDCL § 58-30-193;
- 4) WEALTH PLUS failed to complete the annual updating amendment for the year 2020, in violation of ARSD 20:08:05:15(1)(d)(iii);
- 5) WEALTH PLUS failed to deliver or offer to deliver the ADV Part 2 (investment adviser brochure) within 120 days of year end, in violation of ARSD 20:08:05:26(3)(a);
- 6) WEALTH PLUS failed to keep the necessary records of the brochure delivery or offer, in violation of ARSD 20:08:05:23(14);
- 7) WEALTH PLUS failed to maintain written supervisory/compliance (WSP) procedures, in violation of ARSD 20:08:05:23(19);
- 8) WEALTH PLUS failed to maintain copies of all client agreements, in violation of ARSD 20:08:05:23(10);

- 9) WEALTH PLUS failed to control a former employee in trading of clients' accounts while not an employee of WEALTH PLUS, in violation of ARSD 20:08:05:28 (4), (5), and (20);
- 10) WEALTH PLUS failed to maintain a system (email and written correspondence) in order to ensure all correspondence/communications were maintained, in violation of ARSD 20:08:05:23(7);
- 11) Pursuant to SDCL §§ 58-30-167(1),(2), & (9) and 58-30-193 the Director of the Division may deny WEALTH PLUS' business entity license application for violating the insurance laws of South Dakota;
- 12) Pursuant to SDCL §§ 47-31B-412 and 47-31B-604 the Director of the Division above-cited may, revoke, suspended WEALTH PLUS' registration or impose a monetary penalty of up to \$10,000 per violation.

WEALTH PLUS is aware of and understands the nature of the charges and has been informed that it has the right to notice, hearing, and appeal, and that by agreeing to and signing this Consent Order waives these rights;

In return for WEALTH PLUS agreeing to the provisions of this Consent Order, the Division agrees not to proceed to hearing and agrees that this Consent Order will constitute an informal disposition of all matters concerning WEALTH PLUS pursuant to SDCL § 1-26-20;

WEALTH PLUS agrees to a monetary penalty in the amount of \$12,500 pursuant to SDCL § 58-4-28.1 and 47-31B-604, in lieu of contesting this matter formally; and

WEALTH PLUS further agrees to conduct itself in accordance with the insurance laws and regulations of the State of South Dakota and to follow the Compliance Plan attached to this consent order and hereby incorporated by reference;

WEALTH PLUS agrees that this Consent Order may be considered for the purpose of determining the appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or for failing to abide by any order of the Director;

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that WEALTH PLUS pay a monetary penalty in the amount of \$12,500 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further

ORDERED that should WEALTH PLUS fail to comply with the provisions of this Order, including the attached Compliance Plan, the Division may seek the suspension or revocation WEALTH PLUS' Business entity license at hearing pursuant to SDCL § 58-6-46, or seek other remedies available at law; and it is further

ORDERED that the resident business entity application of WEALTH PLUS is hereby approved for licensure on the effective date of this Consent Order; and it is further

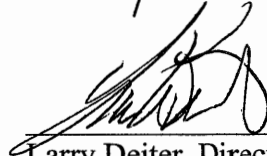
ORDERED that the use of this Consent Order for competitive purposes by an insurance agent or third-party administrator holding a license in the State of South Dakota, or by any company holding a

Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority; and it is further

ORDERED that this consent order is necessary and appropriate in the public interest and for the protection of investors and is consistent with the purposes fairly intended by the policy and provisions of SDCL 47-31B; and it is further

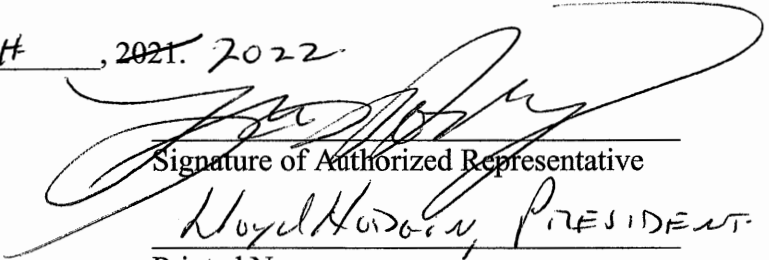
ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 9<sup>th</sup> day of MARCH, <sup>2022</sup> 2021.

  
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Larry Deiter, Director  
South Dakota Division of Insurance

The undersigned, on behalf of WEALTH PLUS, represents it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enters into this Consent Order.

Dated this 7<sup>th</sup> day of MARCH, <sup>2022</sup> 2021.

  
\_\_\_\_\_  
Signature of Authorized Representative  
Lloyd Hudson, PRESIDENT  
\_\_\_\_\_  
Printed Name  
PRESIDENT  
\_\_\_\_\_  
Title

## COMPLIANCE PLAN

WEALTH PLUS will demonstrate compliance and file a compliance report to the Division's satisfaction no later than April 30, 2022 regarding all of the following:

1. John Carlson will have no ownership interest in WEALTH PLUS.
2. WEALTH PLUS will update its policy and procedures manual. Lloyd Hodgins will attest that the manual has been updated and that all employees have reviewed and been trained regarding all updates.
3. WEALTH PLUS will find or duplicate all missing consumer contracts and intake forms and have the same signed before April 30, 2022.
4. WEALTH PLUS will file an updated ADV parts 1 and 2 before April 30, 2022.
5. WEALTH PLUS will send annual updating amendments before April 30, 2022.