

BEFORE THE ARKANSAS SECURITIES COMMISSIONER  
CASE NO S-17-0033

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:  
CHARLES KOCHEL, AND  
YIELD WEALTH

RESPONDENT

**COMPLAINT**

The Staff of the Arkansas Securities Department (“Staff”) by and through its attorney, Aislinn Andrews, for its Complaint against Yield Wealth, and Charles Kochel (“Kochel”) for violations of the Arkansas Securities Act and the Rules of the Arkansas Securities Commissioner, states:

**I. Administrative Authority**

This proceeding is instituted pursuant to the Arkansas Securities Act (“Act”), Ark. Code Ann. §§ 23-42-101 through 23-42-509, the Rules of the Arkansas Securities Commissioner promulgated thereunder (“Rules”), and the Arkansas Administrative Procedure Act, Ark. Code Ann. §§ 25-15-201 through 25-15-219.

**II. Respondents**

1. Yield Wealth, CRD # 173315, is an investment advisory firm with its main office located in Reydell, Arkansas. Yield Wealth filed for registration with the Arkansas Securities Department (“Department”) on December 23<sup>rd</sup>, 2014 and was registered with the Department until December 31<sup>st</sup>, 2016.

2. Kochel, CRD # 3254379, is the sole proprietor of Yield Wealth and was registered with the Department as an investment adviser representative of Yield Wealth from January 29<sup>th</sup>, 2015 to December 31<sup>st</sup>, 2016.

### **III. Factual Allegations**

3. Despite receiving advanced notice from the Staff, Kochel failed to meet the requirements for the annual renewal of his registration and the registration of Yield Wealth by the filing deadline of January 13<sup>th</sup>, 2017. As a result, Yield Wealth and Kochel's registrations with the Department as an investment adviser and investment adviser representative lapsed as of December 31<sup>st</sup>, 2017.

4. Subsequent to December 31<sup>st</sup>, 2016, the Staff found through an examination of relevant records that Yield Wealth and Kochel continued to charge advisory fees on eleven different client accounts while they were no longer registered with the Department.

### **IV. Conclusions of Law**

5. Ark. Code Ann. § 23-42-301(c) provides that it is unlawful for a person to transact business in this state as an investment adviser or investment adviser representative without first being registered as such pursuant to the Act. The records of the Department reflect that Kochel failed to renew his registration and the registration of Yield Wealth by the agreed upon date of January 13<sup>th</sup>, 2017. In addition, the Department's investigation revealed that Kochel and Yield Wealth collected advisory fees while unregistered. As a result, Kochel and Yield Wealth violated Ark. Code Ann. § 23-42-301(c) by transacting business in this state without first being registered as an investment adviser and investment adviser representative pursuant to the Act.

6. Ark. Code Ann. § 23-42-308(g) provides that the Commissioner may for each violation of the Act fine an investment adviser or representative in an amount not to exceed ten thousand dollars or an amount equal to the total amount of money received in connection with each separate violation. The facts and violations set forth above demonstrate that the imposition

of fines against Kochel and Yield Wealth is appropriate pursuant to Ark. Code Ann. § 23-42-308(g).

7. Ark. Code Ann. § 23-42-308(a)(2)(B) provides in part that the Commissioner may by order deny, suspend, make conditional or probationary, or revoke any registration if he finds that a registrant has willfully violated or willfully failed to comply with any provision of this Act or Rules. The facts set forth above demonstrate that the violations committed by Kochel and Yield Wealth were willful and that the imposition of a license suspension or revocation against Kochel and Yield Wealth is appropriate pursuant to Ark. Code Ann. § 23-42-308(a)(2)(B).

8. Ark. Code Ann. § 23-42-209(a)(1)(A) provides that whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the Commissioner, that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Act, or any rule under the Act, the Commissioner may summarily order the person to cease and desist from the act or practice. The facts and violations set forth above show that an order pursuant to Ark. Code Ann. § 23-42-209(a)(1)(A) directing Kochel and Yield Wealth to cease and desist from acting as an investment adviser or representative in Arkansas until such time as they are registered or exempt from registration is appropriate.

#### **V. Notice of Hearing**

This Complaint hereby serves notice of the institution of formal administrative proceedings against the Respondents. With the filing of this Complaint the Staff requests that the Arkansas Securities Commissioner set a date for a hearing before the Arkansas Securities Commissioner pursuant to Rule 607.01 of the Rules to consider whether the registrations of the Respondents should be suspended or revoked, fines should be imposed, a cease and desist order should be issued, and other appropriate action should be taken.

Respectfully Submitted,

Aislinn Andrews

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4/11/17

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