



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
MONARCH WEALTH MANAGEMENT, LLC,) Case No.: AP-24-10
CRD #148648,)
)
Respondent.)

CONSENT ORDER

1. The Enforcement Section of the Missouri Securities Division of the Office of the Secretary of State (“**Enforcement Section**”), through Enforcement Counsel William F. H. Dunker, alleges that between January 1, 2020 and March 31, 2023 (“**Relevant Period**”), Monarch Wealth Management, LLC (“**Monarch**” or “**Respondent**”) transacted business as an investment adviser (“**IA**”) with Missouri-resident clients (“**Missouri Clients**” each a “**Missouri Client**”) without being registered or exempt from registration in Missouri, in violation of Section 409.4-403(a) of the Missouri Securities Act (the “**Act**”)¹. Furthermore, Monarch employed or associated with an individual who transacted business with Missouri Clients without being registered or exempt from registration in Missouri as an investment adviser representative (“**IAR**”), in violation of Section 409.4-403(d), during the Relevant Period. The Enforcement Section alleges that these actions constitute sufficient grounds for the Missouri Commissioner of Securities (“**Commissioner**”) to impose a sanction on Respondent in accordance with Section 409.6-604.
2. Respondent and the Enforcement Section desire to settle the allegations raised by the Enforcement Section relating to Respondent’s alleged violations of Sections 409.4-403(a) and (d).

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section stipulate and agree that the Commissioner has jurisdiction over Respondent and this matter pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*

¹ Unless otherwise specified, all statutory references are to the 2016 Revised Statutes of Missouri, as updated by the 2024 Cumulative Supplement.

4. Respondent and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

5. Respondent waives any right to a hearing with respect to this matter.
6. Respondent waives any right that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of the Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent stipulates and agrees with the Enforcement Section that, should the facts contained herein prove to be false or incomplete, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER’S ORDER

8. Respondent and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent’s (a) testimonial obligations; (b) right to take legal or factual positions in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that it is not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent neither admits nor denies the allegations made by the Enforcement Section or the Findings of the Commissioner, but consents to the Commissioner’s Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purpose of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

THE COMMISSIONER’S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

A. Respondent and Related Parties

12. **Monarch Wealth Management, LLC** is a Kansas-based IA registered in the Central Registration Depository (“**CRD**”) with number 148648 with a principal address at 4901 West 136th Street, Suite 21, Leawood, Kansas 66224. Monarch has held a Kansas IA registration since January 22, 2009, and has held a Conditional Restricted² Texas IA registration since April 1, 2024. Despite being a registered IA in Kansas and Texas, Monarch has never been registered as an IA in Missouri. Monarch has one IAR, who is domiciled in Kansas and registered in Kansas and Texas. Monarch has no prior disciplinary history.
13. **John R. Sykora** is a fifty-six-year-old resident of Stilwell, Kansas, and is registered in CRD with number 2502782. Sykora is Monarch’s sole Managing Member and Chief Compliance Officer (“**CCO**”). He is associated with Monarch as an IAR holding current registrations in Kansas and Texas. Sykora has a pending IAR registration with Missouri.

B. Facts

14. Section 409.4-403(a) states that it is unlawful for a person to transact business in Missouri as an IA unless the person is registered or otherwise exempt under Section 409.4-403(b).
15. Section 409.4-403(b) provides, in relevant part,

The following persons are exempt from the [IA] registration requirements of subsection (a):

...(2) A person without a place of business in this state if the person has had, during the preceding twelve months, **not more than five clients** that are resident in this state³...[.](emphasis added)

16. Monarch initially filed an application for IA registration in Missouri through CRD on March 26, 2020. Monarch’s failure to include all documents required for the application rendered the application incomplete, and caused the Commissioner to issue Respondent a summary suspension notice on March 31, 2020, and formally deem the application as “Deficient”. Currently, CRD shows Monarch’s registration status as “Pending”.

² Monarch’s Texas IA registration is marked as “Conditional Restricted” in CRD. 7 TAC § 116.1(c)(2) and (3) allow the State Securities Board to issue restricted registrations to IA and IAR applicants, under certain conditions, and to restrict the activities the IA or IAR may engage in under the restricted registration.

³ The exemption provided under Section 409.4-403(b)(2) (“**De Minimis Exemption**”) is based on the “National de minimis standard” found in the Investment Advisers Act of 1940 (“**Advisers Act**”) at 15 U.S.C. § 80b-18a(d).

17. Section 409.4-403(d) provides in relevant part,

It is unlawful for an investment adviser to employ or associate with an individual required to be registered under this act as an investment adviser representative who transacts business in this state on behalf of the investment adviser unless the individual is registered under section 409.4-404(a)...

18. In connection with Respondent's IA application in Missouri, Sykora applied in Missouri for an IAR registration on April 18, 2024. Sykora's application under an IA not yet registered in Missouri caused his application for IAR registration in Missouri to be marked "Deficient" in CRD.⁴
19. Upon receiving additional requested documents regarding Monarch's incomplete application for IA registration, the Securities Division assigned the Examinations Section of the Securities Division ("**Examinations Section**") to initiate a routine pre-registration examination of Respondent. The Examinations Section found, in the course of its pre-registration examination, that Respondent conducted investment advisory activity with a number of Missouri Clients that exceeded the De Minimis Exemption threshold during the Relevant Period.
20. On May 14, 2024, the Examinations Section referred the matter to the Enforcement Section.

C. Enforcement Section's Investigation

21. Respondent on-boarded its sixth Missouri Client in December 2019, and began billing its sixth Missouri Client for investment advisory services in the first quarter of 2020. Records provided by Monarch's custodian confirm that Respondent exceeded the threshold of the De Minimis Exemption when the sixth Missouri client was on-boarded.
22. Respondent, through its unregistered IAR, advised at least six Missouri Clients from January 1, 2020 until March 31, 2023. Respondent presently advises five Missouri Clients.
23. Records provided by Monarch's custodian identify Sykora as the IAR on each Missouri Client account of Respondent.
24. Respondent collected advisory fees from the Missouri Client accounts while transacting business as an unregistered IA and while employing Sykora as an unregistered IAR during the Relevant Period.

⁴ Sykora's application was also marked "Deficient" on April 18, 2024, due to failure to remit the application fee. Sykora rendered the application fee ten days later, and the funds deficiency was marked as cleared in CRD the same day.

II. CONCLUSIONS OF LAW

25. **THE COMMISSIONER CONCLUDES** that, during the Relevant Period, Respondent's failure to register as an investment adviser under the Act violated Section 409.4-403(a).
26. **THE COMMISSIONER CONCLUDES** that, during the Relevant Period, Sykora's failure to register as an investment adviser representative under the Act violated Section 409.4-404(a).
27. **THE COMMISSIONER CONCLUDES** that, during the Relevant Period, Respondent's association with Sykora violated Section 409.4-403(d).
28. **THE COMMISSIONER CONCLUDES** that the violations above are sufficient to issue an order in accordance with Section 409.6-604.
29. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent in this matter and that the following order is in the public interest, necessary for the protection of public investors, and consistent with the purposes intended by Chapter 409.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

30. Respondent shall pay **\$25,000** to the Missouri Secretary of State Investor Education and Protection Fund, for violating Sections 409.4-403(a) and (d). **This amount is due upon execution of this Order and shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund** and sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101;
31. Respondent, its agents, employees and servants, and all other persons participating in the above-described violation with knowledge of this order are permanently enjoined and restrained from violating Sections 409.4-403(a) and (d); and
32. Respondent shall pay its own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 18th DAY OF January 2024.



JOHN R. ASHCROFT
SECRETARY OF STATE

A handwritten signature in blue ink, appearing to read "Douglas M. Jacoby", written over a horizontal line.

DOUGLAS M. JACOBY
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

A handwritten signature in blue ink, appearing to read "William F. H. Dunker", written over a horizontal line.

William F. H. Dunker
Enforcement Counsel

RESPONDENT

A handwritten signature in blue ink, appearing to read "John R. Sykora", written over a horizontal line.

Monarch Wealth Management, LLC, CRD #148648
John R. Sykora, Managing Member