

STATE OF NEW HAMPSHIRE
DEPARTMENT OF STATE
BUREAU OF SECURITIES REGULATION
25 CAPITOL STREET
CONCORD, NH 03301

CONSENT ORDER
IN THE MATTER OF:

Genery Wealth Management, LLC
Marilyn Genery aka Marilyn Rios

INV2017-0004

- I. For purposes of settling the above-captioned matter, and in lieu of further administrative proceedings, Genery Wealth Management, LLC (“GWM”) and Marilyn Genery aka Marilyn Rios (“MG”) have submitted an offer of settlement, which the State of New Hampshire, Department of State, Bureau of Securities Regulation (the “Bureau”) has determined to accept. Accordingly, without admitting or denying the allegations and statements of law contained herein, GWM and MG do hereby consent to entry of this Consent Order and the sanctions contained therein:

STATEMENTS OF FACT

1. Marilyn Genery (hereinafter “MG”) was a licensed broker-dealer agent for LPL Financial, LLC (hereinafter “LPL”) starting in March 2015 and terminating in November 2016 for violating LPL’s document signature policy. (Hereinafter “the relevant time period.”) MG’s CRD number is 4414881. Prior to contracting to work for LPL as a broker-dealer agent, branch manager and office of supervisory jurisdiction, and during her contracts with LPL, MG ran her own advisory firm on Middle Street in Portsmouth, New Hampshire called Genery Wealth Management, LLC (“hereinafter “GWM”) starting from July 2014. MG was the managing member and control person of GWM. GWM’s CRD number is 172272. GWM was a New Hampshire state licensed advisory firm offering investment advisory services for compensation and continued to be a New Hampshire licensed advisory firm run by MG after she contracted with LPL to be a broker-dealer agent. GWM ended in March 2017.
2. When MG and GWM contracted to provide services through LPL, they became subject to LPL’s broker-dealer supervisory system which included compliance with all of their supervisory policies and procedures whenever GWM customers accessed GWM services. One such LPL policy that MG and GWM were required to comply with was the LPL signature policy even if the document signed related to the advisory business of GWM.
3. In March 2015 when MG and GWM began their relationship with LPL, MG signed two key contracts with LPL on behalf of GWM. They are the Registered Investment Advisor

Master Services Agreement Terms And Conditions (hereinafter “Master Services Agreement”) and the Hybrid Representative Agreement (hereinafter “Hybrid Agreement”). Under the Master Services Agreement clients of GWM could select LPL to serve as the custodian and broker-dealer with respect to the client’s investment accounts. Under the Master Services Agreement MG and GWM were required to “review and abide by the compliance procedures of LPL that are set forth in writing from time to time”. Under the Hybrid Agreement MG was appointed as a registered broker-dealer representative of LPL and required to conduct her business in accordance with the rules and regulations of the SEC, FINRA and any state agency regulating GWM activities. In September 2015 MG signed an additional agreement with LPL known as the Branch Office Manager Agreement which required MG,

“to establish the Branch Office of LPL and shall use prudence in recommending and supervising representatives and administrative staff operating out of the Branch Office in accordance with the securities laws and state laws applicable to such operations and in accordance with LPL procedures and policies,...and shall conduct the Branch Office in a professional manner”.

The Branch Office Manager Agreement goes on to require the Branch Office Manager to,

“conform to the rules and regulations of the SEC, FINRA, NFA, CFTC, MSRB, and the various states, to the applicable federal and state laws, and to the policies and procedures of LPL...

In complying with such laws, rules and regulations, the Branch Office Manager shall accept such supervision and control by LPL as is necessary to enforce such laws, regulations, rules, policies and procedures.”

4. MG and GWM having signed agreements with LPL came under their supervisory system including all policies, rules and requirements. Two signature policies were in effect at the time that MG and GMW became associated with LPL in March 2015. LPL prohibited, “[r]e-using a client signature or the signature page of a form to execute multiple transactions or requests” and “[c]utting or pasting previously provided customer’s signature or initials to any documents”, and “[m]odifying any client signature or initials.” LPL’s policy goes to require, “[a]ny and all changes to documents must bear original

signatures and client initials.” LPL also had a very clear policy prohibiting customer signed blank forms or forms signed by the customer but not fully completed. Given the state of the law in this area at the time from FINRA, SEC and the State of New Hampshire, the LPL policy took precedence and any conduct short of compliance with the LPL policy was prohibited even if the customer authorized it.

5. Despite the LPL signature requirements in place during the relevant period, MG and GWM failed to comply with them, and multiple violative acts occurred, many with the knowledge and acquiescence of MG with respect to MG customer forms during the relevant time period which ended with termination of the relationship with LPL in November 2016.

THE LAW

- II. The Bureau hereby makes the following statements of law under the New Hampshire Revised Statutes Annotated, RSA 421-B, and regulations thereunder in effect during the relevant time period both before and after the RSA 421-B law change effective 1/1/2016:
 1. MG and GWM are “persons” within the meaning of RSA 421-B:2, XVI in effect before the law change and RSA 421-B:1-102(39) in effect after the law change.
 2. LPL is a broker-dealer within the meaning of RSA 421-B:2, III in effect before the law change and RSA 421-B:1-102(6) after the law change.
 3. MG was a broker-dealer agent within the meaning of RSA 421-B:2, II in effect before the law change and RSA 421-B:1-102(3) in effect after the law change.
 4. Pursuant to FINRA Rule 0140, FINRA Rules apply to all members and persons associated with a member and persons associated with a member shall have the same duties and obligations as a member under the Rules. MG during the relevant time period was a broker-dealer agent of LPL, the managing member and control person for GWM, and MG and GWM were subject to compliance with FINRA Rules and LPL’s signature compliance policy.
 5. Pursuant to FINRA Rule 2010, a member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade. MG and GWM violated this rule by submitting customer forms as authentic and genuine when they were not.

6. Pursuant to RSA 421-B:8,X, in effect before the law change, persons licensed under RSA 421-B to conduct securities business shall abide by the rules of the Securities and Exchange Commission, National Association of Securities Dealers ("NASD"), national and regional stock exchanges, and other self-regulating organizations which have jurisdiction over the licensee, which set forth standards of conduct in the securities industry. MG and GWM are subject to this provision..
7. Pursuant to RSA 421-B:10,I(a) and (b)(7), MG and GWM acted dishonestly and unethically by engaging in the conduct listed in paragraphs 5 and 6 of the Statement of Law section above.
8. Pursuant to RSA 421-B:4-412(d)(13), in effect after the law change, under subsection (c) the secretary of state may impose a civil penalty in an amount not to exceed a maximum of \$2,500 for each violation if the person has engaged in dishonest or unethical practices in the securities business within the previous 10 years. MG and GWM are in violation of this provision by engaging in the conduct listed in paragraphs 5 and 6 of the Statement of Law section above.
9. Pursuant to RSA 421-B:4-406(k) in effect after the law change, persons registered under this article to conduct securities business shall comply with the applicable rules of the Securities and Exchange Commission and FINRA. MG and GWM are subject to this provision for failing to abide by FINRA Rules regarding Standards of Commercial Honor and Principles of Trade.
10. Pursuant to RSA 421-B:10,VI, in effect prior to the law change, the secretary of state may assess an administrative fine of not more than \$2,500 per violation.
11. Pursuant to RSA 421-B:23, whenever it appears to the secretary of state that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule under this chapter, he shall have the power to issue and cause to be served upon such person an order requiring the person to cease and desist from violations of this chapter. MG is subject to this section for violations of RSA 421-B:8 and 421-B:10 which occurred while MG was a broker-dealer agent of LPL
12. Pursuant to RSA 421-B:26,III, in effect prior to the law change, any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing, and in addition to any other penalty provided for by law, be subject to suspension, revocation or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation. MG and GWM are subject to this provision.

13. Pursuant to N.H. RSA 421-B:26, III-a, every person who directly or indirectly controls a person liable under paragraph I, II, or III every partner, principal executive officer, or director of such person, every person occupying a similar status or performing a similar function, who materially aids in the acts or transactions constituting the violation, either knowingly or negligently, may, upon hearing, and in addition to any other penalty provided for by law, be subject to suspension, revocation, or denial of any registration or license, including the forfeiture of any application fee, or an administrative fine not to exceed \$2,500, or both. MG managing member and control person of GWM and GWM are subject to this provision.
14. Pursuant to RSA 421-B:6-604(a), in effect after the law change, if the secretary of state determines that a person has, is, or is about to materially aid in an act, practice, or course of business constituting a violation of this chapter, the secretary of state may issue an order directing the person to cease and desist from engaging in an act, practice, or course of business or to take other action necessary or appropriate to comply with this chapter. MG is subject to this provision for conduct which occurred while MG was a broker-dealer agent of LPL .
15. Pursuant to RSA 421-B:6-604(d), in effect after the law change, in a final order, the secretary of state may impose a civil penalty up to a maximum of \$2,500 for a single violation. In addition, every such person, who is subject to such civil penalty, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation, or denial of any registration of license, or be barred from registration or licensure. MG and GWM are subject to this provision.
16. Pursuant to N.H. RSA 421-B:6-604(g), in effect after the law change, and RSA 421-B:22, before the law change, in any investigation to determine whether any person has violated any rule or order under this title, the secretary of state shall be entitled to recover the costs of the investigation. MG and GWM are subject to this provision.

III. In view of the foregoing, MG and GWM agree to the imposition of the following sanctions:

1. MG and GWM agree that this Order is entered into for purposes of resolving only the matter described herein. This Order shall have no collateral estoppel effect in any other lawsuit, proceeding, or action not described herein. Likewise, this Order shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct by MG and GWM of which the Bureau has no knowledge at the time of the date of final entry of this Consent Order.
2. MG and GWM agree not to take any action or make any public statement,

including in regulatory filings or otherwise, denying, directly or indirectly, any allegation in this Consent Order or create the impression that the Consent Order is without factual basis. Nothing in this provision affects MG and GWM's testimonial obligations or the right to take legal or factual positions in litigation or other legal proceedings in which the Bureau is not a party.

3. Respondents agree to waive their right to an administrative hearing and any appeal therein under this chapter.

4. MG and GWM agree to deliver within five (5) business days of the execution of this Consent Order an administrative fine of Twenty-Five Thousand Dollars (\$25,000) and costs of Twenty-Seven Thousand Five Hundred Dollars (\$27,500), total Fifty-Two Thousand Five Hundred Dollars (\$52,500). Payment shall be made to the State of New Hampshire. Payment must be 1) made by business check, certified check, or postal money order; 2) made payable to the State of New Hampshire; and 3) if mailed, shall be mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301.

5. MG and GWM shall cease and desist from any further violations of RSA 421-B.

6. MG shall undergo a period of heightened supervision for eighteen months starting upon execution of this Consent Order. MG shall abide by the terms of the heightened supervision as stated in the attached document entitled Terms of Heightened Supervision In The Matter of Marilyn Genery aka Marilyn Rios and Genery Wealth Management, LLC.

7. MG and GWM agree that if they fail to meet any of the undertakings set forth in this Consent Order, such a failure shall constitute a violation of this Consent Order pursuant to RSA 421-B:6-604 and may subject MG and GWM to enforcement action and penalties.

IV. Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Order. **THEREFORE, IT IS HEREBY ORDERED THAT:**

1. MG and GWM pay an administrative fine and costs, in the total amount of Fifty-Two Thousand Five Hundred Dollars (\$52,500) as outlined herein.

2. MG and GWM shall cease and desist from any further violations of RSA 421-B.

3. MG shall undergo eighteen months of heightened supervision as outlined in the terms

attached hereto.

4. MG and GWM shall comply with all other undertakings outlined herein.

Executed this 9th day of February, 2019.



on behalf of GWM

(Please print name below:

Marilyn A. Rios

Executed this 9th day of February 2019.



Marilyn Rios aka Marilyn Genery

Order entered this 9 day of February 2019.



Barry Glennon, Director
N.H. Bureau of Securities Regulation

Terms of Heightened Supervision
In the Matter of Marilyn Genery aka
Marilyn Rios and
Genery Wealth Management, LLC
INV2017-0004

1. Marilyn Rios (“MR”) will not act in any principal, supervisory, or managerial capacity while associated with any registered investment adviser or broker dealer (a “Registered Firm”) during the period of heightened supervision. MR may advise clients and manage client accounts and administrative personnel;
2. Within 15 days after learning of any criminal incident, or any investigation, proceeding, or written or oral customer complaint against MR arising out of activities in the securities, commodities, investment, franchise, banking, insurance or finance industry, MR shall send written notification of such to the Bureau of Securities Regulation in addition to making any required disclosures on the CRD. Such notification will include a copy of the written complaint and any supporting documentation.
3. During the period of heightened supervision, at all times that MR is employed by a Registered Firm, MR shall enter into a written agreement with the Registered Firm (“Agreement”) not unacceptable to the Bureau whereby the Registered Firm shall agree to undertake strict supervision of MR by assigning a registered principal, who must be licensed with the Registered Firm and approved in advance by the Bureau and who will remotely supervise MR’s activities from the Registered Firm’s home office and conduct a documented monthly review of MR’s accounts, transactions, and client activities, including steps taken by the supervisor to address concerns and meet all other supervisory requirements under the Consent Order. These written reviews shall be available to the Bureau upon request. MR shall provide a copy of each such Agreement to the Bureau.
4. The Agreement will also provide that MR’s office will undergo an inspection and visit with a written report by a member of the compliance team of the Registered Firm every

six months starting upon execution of the Consent Order. There will be a total of three visits during the period of heightened supervision.

5. Any customer complaint involving MR that is received from a client of MR by the Bureau describing events occurring during the period of heightened supervision may, at the discretion of the Bureau, result in further action by the Bureau to revoke MR's license and or impose further sanctions against MR's NH license privileges such as suspension, bar and an extension of the period of heightened supervision.