

ADMINISTRATIVE PROCEEDING
BEFORE THE
MARYLAND SECURITIES COMMISSIONER

IN THE MATTER OF:

*

Eric L. Bach, CRD # 5604885

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Docket No. 2019-0007

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Respondent

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CONSENT ORDER

WHEREAS, pursuant to section 11-405 of the Maryland Securities Act, Corporations and Associations Article, Title 11, Annotated Code of Maryland (2014 Repl. Vol. and 2018 Supp.) (the "Act"), Eric L. Bach ("Respondent") submitted an application to the Maryland Division of Securities (the "Division") for registration as an investment adviser representative of Advisor Alliance, LLC, an investment adviser applying for registration in this State; and

WHEREAS, Respondent was previously registered with the Division as an investment adviser representative through an affiliation with C5 Wealth Management, LLC from October 9, 2008 to December 31, 2013, but has not been registered as an investment adviser or investment adviser representative with the Division since that time; and

WHEREAS, on or about September 18, 2013, prior to terminating his affiliation with C5 Wealth Management, LLC, Respondent entered into an Advisory Referral Program Agreement with RBC Wealth Management, wherein Respondent agreed to refer advisory clients to RBC Wealth Management in exchange for an on-going percentage of the advisory fee charged to the referred clients; and

WHEREAS, section 11-411(d) of the Act requires a registrant to promptly file with the Maryland Securities Commissioner (the "Commissioner") a correcting amendment if the information

contained in any document filed with the Commissioner is or becomes inaccurate or incomplete in any material respect; and

WHEREAS, COMAR 02.02.05.11 requires an amendment to be filed within 30 days of the event requiring the filing of the amendment; and

WHEREAS, Respondent did not disclose his advisory referral arrangement with RBC to C5 Wealth Management, LLC or amend his Form U4 to disclose the outside business activity; and

WHEREAS, Respondent failed to amend his Form U4 to disclose his outside business activity of referring advisory clients to RBC for compensation in violation of section 11-411(d) of the Act; and

WHEREAS, section 11-401 of the Act prohibits a person from transacting business in this State as an investment adviser or as an investment adviser representative, unless the person is registered as an investment adviser or investment adviser representative; and

WHEREAS, between September 18, 2013 and November 29, 2018, when the Advisory Referral Program Agreement with RBC Wealth Management was suspended, Respondent referred 4 advisory clients to RBC Wealth Management and received approximately \$13,500 in fees in connection with the advisory referrals; and

WHEREAS, Respondent acted as an unregistered investment adviser and/or investment adviser representative during a time that he was not registered, in violation of section 11-401 of the Act; and

WHEREAS, section 11-412(a)(2) of the Act authorizes the Commissioner to deny, suspend, or revoke any registration if she finds that the Order is in the public interest and that the applicant or registrant has willfully violated or willfully failed to comply with any provisions of this title, a predecessor act, or any rule or order under this title or a predecessor act; and

WHEREAS, Respondent violated sections 11-401 and 11-411(d) of the Act, and grounds exist under section 11-412(a)(2) of the Act to deny Respondent's application for investment adviser representative registration; and

WHEREAS, the Commissioner and Respondent have reached an agreement in this action whereby Respondent consents to the terms of this Consent Order; and

WHEREAS, Respondent waives his right to a hearing and any rights he may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Consent Order; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Consent Order;

NOW THEREFORE, IT IS HEREBY ORDERED, and Respondent expressly consents, that:

1. Respondent shall permanently cease and desist from violating sections 11-401 and 11-411(d) of the Act.
2. Respondent shall pay to the Division a fine in the amount of \$2,000. The check should be made payable to the Office of the Attorney General.
3. For a period of two (2) years from the date of this Order, any sanction of Respondent imposed by another jurisdiction, any self-regulatory organization, any exchange, the Securities and Exchange Commission, or the Commodity Futures Trading Commission, will result in this entire matter being reviewed by the Division, including, but not limited to, those matters set forth in the disciplinary history submitted as part of Respondent's Form U4. In this regard, Respondent waives reliance upon section 11-412(b) of the Act.
4. For a period of two (2) years from the date of this Order, any customer complaint involving Respondent that is received by the Division will result in this entire matter being reviewed by the Division, including, but not limited to, those matters set forth in the disciplinary history

submitted as part of Respondent's Form U4. In this regard, Respondent waives reliance upon section 11-412(b) of the Act.

5. Respondent's application for registration as an investment adviser representative for Advisor Alliance, LLC is made effective as of the date of this Order.

6. Respondent shall in all future activities in Maryland comply fully with the Act and the rules and regulations promulgated thereunder.

The terms of this Consent Order may be vacated or modified only by a subsequent order issued by the Commissioner.

DATE OF THIS ORDER:

SO ORDERED:

**Commissioner's Signature on File
w/Original Order**

February 5, 2019

Melanie Senter Lubin
Securities Commissioner

BY CONSENT:

Eric L. Bach

On this ____ day of _____, 2019, personally appeared _____, signer of the foregoing Consent Order, who did duly acknowledge his/her signature to be his/her free act and deed.

Notary Public
My Commission Expires: _____
Seal: