

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)	
)	
K-WM LLC D/B/A 11 FINANCIAL)	CONSENT ORDER
MATTHEW B. WILLIAMSON)	NO. CO-2025-0014
TAYLOR J. KOVAR)	
)	
<u>RESPONDENTS</u>)	

CONSENT ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof and having confirmed information by RESPONDENTS, has determined as follows:

RESPONDENTS

1. K-WM LLC D/B/A 11 Financial ("11 FINANCIAL"), Central Registration Depository ("CRD") (CRD# 174569), is a Texas domiciled investment advisor with a business address of 504 S First Street, Lufkin, Texas 75901. Commission records reflect that 11 FINANCIAL is a federally registered investment advisor firm since November 30, 2023, and noticed filed in Alabama until December 31, 2024. Records reflect that a currently pending state application was filed electronically on December 16, 2024. After notification from the Commission, 11 FINANCIAL refiled their federal notice filing in Alabama on January 28, 2025, for the benefit of their Alabama based employee to continue to provide advisory services at their Alabama office location. 11 FINANCIAL was not notice filed with the Commission and was unregistered in Alabama during the period of January 1, 2025 until January 28, 2025.

2. Matthew Blair Williamson ("WILLIAMSON"), (CRD# 6840541), is an investment adviser representative of 11 FINANCIAL, with a business and residential address of 1120 Beacon

Parkway #307, Birmingham, AL 35209. Commission records reflect that WILLIAMSON initially registered on January 8, 2024, as an investment adviser representative with 11 FINANCIAL in the State of Alabama; however, his individual registration with 11 FINANCIAL in Alabama was terminated on January 10, 2024. WILLIAMSON again registered as an Alabama investment adviser representative of 11 FINANCIAL on March 4, 2024, and terminated again on April 13, 2024. Commission records reflect another registration approval in Alabama for WILLIAMSON as an investment adviser representative with 11 FINANCIAL on August 14, 2024, until December 31, 2024, when he was terminated without a Form U5 when 11 FINANCIAL no longer maintained their federal notice filing in Alabama. In the best interest of WILLIAMSON's clients, 11 FINANCIAL refiled their federal notice filing in Alabama with WILLIAMSON's Form U4 on January 28, 2025, to allow WILLIAMSON to continue to provide advisory services and manage accounts in Alabama as a registered investment adviser representative with 11 FINANCIAL. 11 FINANCIAL then advised they were transitioning their federal registration to a state registered investment advisor in Alabama. During the time between January 1 and January 28, 2025, 11 FINANCIAL failed to notice file in Alabama, and WILLIAMSON was unregistered in Alabama.

3. Taylor J. Kovar ("KAVAR"), (CRD# 6112979) is the Chief Executive Officer, Chief Compliance Officer, and Sole Owner of 11 FINANCIAL with an office location address at 504 S First Street, Lufkin, TX 75901. This office location is reflected as the supervisory main office location for WILLIAMSON as an investment adviser representative employee of 11 FINANCIAL.

STATEMENT OF FACTS

4. On November 25, 2024, the Alabama Securities Commission signed an administrative consent agreement ("Consent Agreement"), CA-2024-0031, to resolve unregistered investment advisory activities conducted by WILLIAMSON in Alabama. WILLIAMSON, a respondent on the November 25, 2024, Consent Agreement, agreed that "respondents shall ensure that proper procedures are enacted to preclude any future non-compliance with the Act," and also agreed to refrain from any further violation of Code of Alabama, 1975, Section 8-6-3. WILLIAMSON signed the Consent Agreement on November 17, 2024.

5. On December 16, 2024, 11 FINANCIAL submitted electronically, via Form ADV on IARD, for registration as an investment advisor in the State of Alabama.

6. On December 31, 2024, 11 FINANCIAL requested removal from Alabama federal notice filing effective December 31, 2024, and terminated both the firm's federal investment adviser filing and WILLIAMSON's investment adviser representative from registration in Alabama. CRD notice filing status history states that 11 FINANCIAL requested removal and was no longer notice filed effective December 31, 2024. According to CRD records, WILLIAMSON terminated his Alabama registration with 11 FINANCIAL on December 31, 2024.

7. On December 31, 2024, the Commission staff issued a deficiency letter to 11 FINANCIAL requesting, among other items to provide, an affidavit or statement regarding any unregistered advisory business activities, to include Alabama client accounts.

8. On January 6, 2025, the Commission staff received a response letter reflecting that they do not currently have clients in Alabama, only an investment adviser representative based in Alabama.

9. On January 9, 2025, the Commission staff issued a continued deficiency letter requesting an explanation regarding the clients of WILLIAMSON that were recently moved to 11 FINANCIAL where WILLIAMSON provided advisory services in his Alabama office location, and pursuant to his recent Consent Agreement with the Commission and reviews of his registration history.

10. On January 28, 2025, 11 FINANCIAL refiled their SEC registered notice filing and application with WILLIAMSON's updated Form U4 for investment adviser representative registration in Alabama. The Commission staff approved WILLIAMSON's individual Form U4 for registration as an individual investment adviser representative of the federally notice filed firm, 11 FINANCIAL for the benefit and best interest of WILLIAMSON's clients to allow him to provide advisory services in Alabama while the Commission staff continued to review 11 FINANCIAL's state investment adviser application.

11. On February 25, 2025, the Commission staff received a further response from 11 FINANCIAL reflecting that WILLIAMSON's total unregistered advisory services in Alabama on behalf of 11 FINANCIAL, from January 1, 2025 through January 28, 2025, consisted of 11 open accounts in which he served eight clients, with a total compensation received of \$2,442.58 and approximately 100 trading transactions. WILLIAMSON provided these advisory services to 8 clients that were not located in Alabama; however, WILLIAMSON provided the advisory services in Alabama during the time he was not registered as an investment adviser representative in Alabama.

CONCLUSIONS OF LAW

12. Pursuant to Code of Alabama 1975, Section 8-6-2(18) an investment adviser is any person, who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. 11 FINANCIAL, a SEC registered investment adviser firm, no longer noticed filed in Alabama from January 1, 2025, through January 28, 2025, and employed WILLIAMSON, who was compensated while not registered as an individual investment adviser representative with 11 FINANCIAL when he rendered investment advisory services on behalf of 11 FINANCIAL to eight clients from his Alabama office location from January 1, 2025, through January 28, 2025.

13. Pursuant to Code of Alabama 1975, Section 8-6-2(19) an investment adviser representative is any partner, officer, director of (or a person occupying a similar status or performing similar functions) or other individual employed by or associated with an investment adviser who makes any recommendation or otherwise renders advice regarding securities, manages accounts or portfolios of clients, determines which recommendation or advice regarding securities should be given, solicits, offers, or negotiates for the sale of or sells investment advisory services. WILLIAMSON is acting as an investment adviser representative under this definition and is employed by and associated with an investment adviser at a place of business located in Alabama.

14. Pursuant to Code of Alabama, 1975, Section 8-6-3(b)(3) it is unlawful for any person to transact business in the State of Alabama as an investment advisor or an investment advisor representative unless he or she has no place of business in this state and during any period of 12 consecutive months does not direct business communications in this state in any manner to more than five clients. WILLIAMSON rendered investment advisory services on ninety-nine securities transactions for compensation on behalf of 11 FINANCIAL from an Alabama office location to eight clients from January 1, 2025, through January 28, 2025.

15. Pursuant to Code of Alabama 1975, Section 8-6-3(c) It is unlawful for any investment adviser required to be registered to employ an investment adviser representative unless the investment adviser representative is registered under this article. The registration of an investment adviser representative is not effective during any period when he or she is not employed by an investment adviser registered under this article. 11 FINANCIAL employed an investment adviser representative who rendered investment advice for compensation without benefit of registration in the State of Alabama.

16. Pursuant to Section 830-X-3-.13(1) of the Commission Rules, (1) every dealer, issuer or investment adviser, and officers, directors and partners thereof, shall exercise diligent supervision over all the securities activities of its associated persons. Pursuant to Section 830-X-3-.13 (2) of the Commission Rules, (2) every associated person of the dealer, issuer or investment adviser shall be subject to the supervision of a supervisor designated by such dealer, issuer or investment adviser. The supervisor may be a partner, officer, director, office manager, or any other qualified associated person, or in the case of a sole proprietorship, the sole proprietor.

WHEREAS RESPONDENTS admit that investment advice was rendered for a fee to clients in an Alabama office location while unregistered and that the information and assertions presented to the Commission during its investigation of this matter are true and correct; that RESPONDENTS understand the Commission relied upon such information and assertions in its determination to accept this Order, and that should such information or assertions prove to be incorrect or misrepresented, the Commission may seek such other administrative, civil or criminal remedies that may be available to it under the provisions of the Act.

WHEREAS the Commission finds this Order necessary and appropriate in the public interest for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act; and

WHEREAS the Commission and RESPONDENTS are desirous of settling this matter as hereafter set forth and agree to the entry of this Order; and

WHEREAS RESPONDENTS have voluntarily waived all rights to a hearing upon entry of this Order, and have consented to the entry of this Order; and

ACCORDINGLY, IT IS HEREBY ORDERED:

17. That K-WM LLC D/B/A 11 FINANCIAL's application for licensure shall continue with the prior activity issue hereby resolved.

18. That RESPONDENTS shall hereafter comply with all state and federal statutes as well as regulations under the Alabama Securities Act.

19. That K-WM LLC D/B/A 11 FINANCIAL shall ensure that proper procedures are enacted to preclude any future non-compliance with the Alabama Securities Act.

ACCEPTANCE AND CONSENT

20. Pursuant to Code of Alabama 1975, Section 8-6-19(j)(1), K-WM LLC D/B/A 11 FINANCIAL shall pay to the **State of Alabama** an administrative assessment in the total sum of \$2,443.00, said funds to be tendered in certified funds contemporaneously with the entry of this Order.

21. Pursuant to Code of Alabama 1975, Section 8-6-19(k)(1), K-WM LLC D/B/A 11 FINANCIAL shall pay to the **Alabama Securities Commission**, as partial reimbursement for the

Commission's cost for investigating this matter, the sum of \$1,000.00, said funds to be tendered in certified funds contemporaneously with the entry of this Order.

22. That to the extent that RESPONDENTS' representations to the Commission as stated herein are true and correct, the terms set forth in this Agreement represent the complete agreement and settlement among the parties as to its subject matter, but in no way preclude legal proceedings by or on behalf of the Commission for acts and/ or omissions not specifically addressed in this Order.

AGREED AND CONSENTED to on date indicated:

RESPONDENTS:

MATTHEW BLAIR WILLIAMSON

Signed by:
Matthew Williamson
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Investment Adviser Representative
K-WM LLC D/B/A 11 FINANCIAL

4/25/2025 | 22:24:30 EDT

Date

TAYLOR J. KOVAR:

Signed by:
Taylor Kovar
8CE1E43EC11C422...
CEO, CCO, & Owner/Officer
K-WM LLC D/B/A 11 FINANCIAL

4/25/2025 | 23:18:10 EDT

Date

Entered at Montgomery, Alabama, this the 29th day of April 2025.



ALABAMA SECURITIES COMMISSION

445 Dexter Avenue, Suite 12000

P.O. Box 304700

Montgomery, Alabama 36130-4700

(334) 242-2984

BY:

Amanda Senn
Amanda Senn
Director