

BEFORE THE SECURITIES COMMISSIONER  
OF THE STATE OF KANSAS



In the Matter of:

Quantum Financial Partners, LLC  
(CRD No. 138112)

Docket No. 20 E 022  
KSC No. 2016-6341

Respondent.

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Pursuant to K.S.A. 17-12a412

CONSENT ORDER

1. The Staff of the Office of the Kansas Securities Commissioner (“KSC Staff”) allege that Quantum Financial Partners, LLC (“Quantum”) engaged in conduct constituting violations of the Kansas Uniform Securities Act, K.S.A. 17-12a101 *et seq.* (“the KUSA”), and that Quantum is subject to administrative sanctions and remedies under K.S.A. 17-12a412.
2. Quantum and KSC Staff desire to settle the matters raised by KSC Staff relating to the Quantum’s alleged violations.

CONSENT TO JURISDICTION

3. Quantum and KSC Staff stipulate and agree that, under the KUSA, the Securities Commissioner of Kansas (“the Commissioner”) has jurisdiction over the Quantum and this matter.
4. Quantum and KSC Staff stipulate and agree that the Commissioner has authority to enter this Order under K.S.A. 17-12a412.

### WAIVER AND EXCEPTION

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

### CONSENT TO THE COMMISSIONER'S ORDER

9. Quantum and KSC Staff agree to the issuance of this Order without further proceedings in this matter and agree to be fully bound by the terms and conditions specified herein.
10. Quantum agrees to not take any action nor to make or permit to be made any public statement creating the impression that this Order is without a factual basis. Nothing in this Order affects Quantum's testimonial obligations or 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.

### FINDINGS OF FACT

11. Quantum is a Kansas limited liability company which has been registered as an investment adviser under the KUSA since January 12, 2006. The current mailing address for Quantum is 11020 Oakmont, Ste. 100, Overland Park, KS 66210.
12. The KSC Staff conducted on-site audits at Quantum's principal place of business on May 3, June 5 and October 29-30, 2018.
13. During the audits, KSC Staff found that Quantum had not been maintaining financial statements as required by K.A.R. 81-14-4(b)(6).
14. Specifically, during the year of 2017 and parts of 2018, Quantum failed to maintain a consolidated balance sheet to reflect the financial condition of the firm.
15. Instead, Quantum had maintained two balance sheets – one labeled "QFP" and one labeled "QFP, LLC." Neither of these reports provided full and accurate representations of the firm's overall financial condition.
16. After KSC Staff reviewed Quantum's financial records from January 1, 2017 to June 1, 2018, it was discovered that Quantum had been insolvent in nine (9) out of the seventeen (17) months.
17. Quantum did not report its insolvency to the Commissioner as required by K.A.R. 81-14-9(d)(2).

### CONCLUSIONS OF LAW

18. The Commissioner has jurisdiction over Quantum and this matter.
19. Quantum violated K.A.R. 81-14-4(b)(6) by failing to maintain financial statements relating to Quantum's business as an investment adviser.

20. Quantum violated K.A.R. 81-14-9(d)(2) by failing to notify the Commissioner that Quantum was insolvent.

**ORDER**

**IT IS THEREFORE ORDERED** that Quantum shall pay a civil penalty in the amount of \$10,000. Payment shall be in the form of a cashier's check made payable to "Office of the Kansas Securities Commissioner," and shall be delivered to 109 SW 9th Street, Suite 600, Topeka, KS 66612. Such payment shall be made within 30 days of the issuance of this Order. Upon receipt, such payment shall be deposited into the Investor Education and Protection Fund.

IT IS SO ORDERED BY THE COMMISSIONER.

Entered at Topeka, Kansas, this 3 day of September, 2019.



Jeffrey S. Wagaman  
*Kansas Securities Commissioner*

CONSENTED TO BY:

Benjamin Miller-Coleman, Kansas Bar No. 24626  
*Attorney for KSC Staff*

Jeffrey White, Managing Partner  
Quantum Financial Partners, LLC  
*Respondent*