

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 5374 / September 27, 2019**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19538**

**In the Matter of**

**AMADEUS WEALTH  
ADVISORS, LLC,**

**Respondent.**

**ORDER INSTITUTING CEASE-AND-  
DESIST PROCEEDINGS PURSUANT TO  
SECTION 203(k) OF THE INVESTMENT  
ADVISERS ACT OF 1940, MAKING  
FINDINGS, AND IMPOSING A CEASE-  
AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) against Amadeus Wealth Advisors, LLC (“Amadeus” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

### **III.**

On the basis of this Order and Respondent's Offer, the Commission finds that:

#### **SUMMARY**

1. In two separate instances in 2015, Amadeus, a registered investment adviser, voted proxies with respect to client securities held in a total of 20 client accounts, notwithstanding Amadeus's representations in its Form ADV Part 2A brochure and written advisory agreements that it did not accept proxy voting authority over client securities. In doing so, Amadeus violated Section 206(2) of the Advisers Act.

#### **RESPONDENT**

2. Amadeus is registered with the Commission as an investment adviser and is organized as a limited liability company under the laws of Florida and based in New York, New York. On July 13, 2015, Amadeus succeeded to the business, and assumed the registration status, of Spencer Pierce Wealth Management, LLC, a Delaware limited liability company, which had been registered as an investment adviser with the Commission since 2014.

#### **FACTS**

3. On or about July 13, 2015, Amadeus filed a Form ADV Part 2A brochure with the Commission in which Amadeus stated that it does "not ask for, nor accept voting authority for client securities" and that clients would receive proxies directly from the issuer or custodian. In client advisory agreements dated July 18, 2015, Amadeus similarly stated as follows in the paragraph titled "Proxy Voting": "[Amadeus] will have no authority or obligation to make any decisions regarding the voting of proxies with respect to assets of the [client's] Account. Client retains such authority and obligation. . . . If [Amadeus] inadvertently receives proxy information for a security held in the Accounts, then [Amadeus] will promptly forward the information on to the Client, but will not take any further action with respect to the proxy."

4. On or about July 28, 2015, a representative of a registered broker-dealer ("Broker-Dealer A") contacted Amadeus on behalf of an issuer that was affiliated with Broker-Dealer A and whose securities were held by a number of Amadeus clients ("Issuer A"). Broker-Dealer A's representative requested that, as stated in his email to Amadeus dated July 28, 2015, Amadeus "vote on behalf of [its] clients for the [Issuer A] proxy" and attached to the email a letter for that purpose to be executed by Amadeus on Amadeus letterhead. On July 28, 2015, Amadeus returned the executed letter on its letterhead to Broker-Dealer A. The executed letter was addressed to Issuer A, listed 20 Amadeus client accounts and stated that Amadeus (i) is the adviser to the listed client accounts; (ii) "do[es] have authority to vote proxies for them;" and (iii) "choose[s] to vote in favor for the proxy solicited on behalf of [Issuer A] for all accounts listed below." Amadeus did not make any disclosure about the foregoing to any of the clients included in the letter prior to executing and returning the letter.

5. On or about September 21, 2015, a representative of Broker-Dealer A again contacted Amadeus on behalf of Issuer A and again requested that, as stated in his email to Amadeus dated September 21, 2015, Amadeus “vote on [its] clients['] behalf” because “[Issuer A] is having another proxy.” Attached to the email was the July 28, 2015 proxy letter executed by Amadeus, coupled with the instruction that Amadeus just needed to “change the date and sign again.” On September 21, 2015, Amadeus returned the executed letter on its letterhead to Broker-Dealer A. The executed letter was addressed to Issuer A, listed the same 20 Amadeus client accounts and again stated that Amadeus (i) is the adviser to the listed client accounts; (ii) “do[es] have authority to vote proxies for them;” and (iii) “choose[s] to vote in favor for the proxy solicited on behalf of [Issuer A] for all accounts listed below.” Amadeus did not make any disclosure about the foregoing to any of the clients included in the letter prior to executing and returning the letter.

### **VIOLATION**

6. As a result of the conduct described above, Amadeus violated Section 206(2) of the Advisers Act, which prohibits an investment adviser from “engag[ing] in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.” Proof of scienter is not required to establish a violation of Section 206(2) of the Advisers Act. *See Steadman v. SEC*, 603 F.2d 1126, 1134 (5th Cir. 1979), *aff’d on other grounds*, 450 U.S. 91 (1981) (citing *SEC v. Capital Gains Research Bureau, Inc.*, 375 U.S. 180, 195 (1963)).

### **IV.**

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Amadeus’ Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 203(k) of the Advisers Act, Respondent cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act.

B. Respondent shall pay a civil monetary penalty in the amount of \$40,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Section 21F(g)(3) of the Securities Exchange Act of 1934. Payments shall be made in installments, according to the following schedule:

- An initial payment of \$8,000 due within 10 days after the entry of this Order;
- An additional payment of \$8,000 due within 90 days after the entry of this Order;
- An additional payment of \$8,000 due within 180 days after the entry of this Order;
- An additional payment of \$8,000 due within 270 days after the entry of this Order;
- An additional payment of \$8,000, plus any outstanding balance of the civil penalty amount and post order interest accrued, due within 360 days after the entry of this Order.

C. Payments shall be applied first to post order interest, which accrues pursuant to 31 U.S.C. 3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

D. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

E. Payments by check or money order must be accompanied by a cover letter identifying Amadeus Wealth Advisors, LLC as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Sanjay Wadhwa, Division of Enforcement, Securities and Exchange Commission, New York Regional Office, 200 Vesey Street, Suite 400, New York, New York 10281.

F. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based

on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman  
Secretary