BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of, WILLIAM J. SCHNEPP and EPIC ADVISORY, LLC Respondents.	CONSENT ORDER TO CEASE AND DESIST, PERMANENT BAR, AND IMPOSING DISGORGEMENT DFI Case No. S-239068 (EX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities ("Division"), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 ("Ch. 551") and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondents

1. William J. Schnepp (CRD#1854941) ("Schnepp") is an adult male resident of Wisconsin with a last known address of 3520 Olde Howell Road, Waukesha, Wisconsin 53188.

2. Epic Advisory, LLC ("Epic") is a limited liability company organized in Wisconsin on or about April 30, 2018. At all times material, Epic was controlled by Schnepp. Schnepp has also been the registered agent for Epic at all times. Epic has a last known business address of 3520 Olde Howell Road, Waukesha, Wisconsin 53188.

Conduct

3. Schnepp was registered with the Division as a registered representative and investment adviser representative of LPL Financial, LLC (CRD#6413) ("LPL") from January 2015 to March 2018.[1]

[1] Schnepp was previously registered as a registered representative and investment adviser representative with other broker-dealers and federally covered investment advisers from November 2009, but the pertinent conduct occurred in part while Schnepp was registered with LPL.

4. On or about March 5, 2018, Schnepp was discharged from LPL for impersonating a client on a telephone call to an insurance company and violating LPL's document signature policy.

5. On or about April 30, 2018, Schnepp founded Epic and promptly began soliciting his former clients at LPL to transfer their investment advisory accounts to Epic so Schnepp could continue to provide investment advisory services.

6. During his solicitations, Schnepp represented to his former clients that he had decided to leave LPL to found his own investment advisory firm. At no time did he disclose to the clients that he had been discharged by LPL for cause.

7. Between March 5, 2018 and October 3, 2018, approximately thirteen clients transferred their accounts from LPL to TD Ameritrade as self-directed accounts, to be managed by Epic and Schnepp. Schnepp accessed clients' accounts to make trades by logging into the accounts online with the client's username and password.

8. In exchange for Epic and Schnepp's investment advisory services, clients were charged approximately 1.00% of assets under management as an annual fee billed quarterly in oral agreements between Schnepp, Epic, and the clients.

9. Between April 21, 2018 and October 3, 2018, Epic and Schnepp received approximately $26,823 in fee payments from the thirteen clients referenced in ¶ 7 for providing investment advisory services.

10. Schnepp directed clients to pay their advisory fees to him by check, since he was unable to automatically deduct fees from their TD Ameritrade accounts without alerting TD Ameritrade that the accounts were being managed by someone other than the true account holder.

11. In one case, Schnepp accepted a check and then logged into a client's account to make an ACH transfer from the client's investment account for the same amount as the fee charged to the client's checking account after the client told Schnepp he wanted the advisory fee to come from the investment account rather than his checking account.

12. Schnepp represented to his Epic clients that Epic was properly registered as an investment adviser. However, Schnepp failed to properly register Epic with the Division as an investment adviser.

B. Conclusions of Law

Legal Authority and Jurisdiction

13. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Ch. 551 and the rules and orders promulgated thereunder.

14. Pursuant to Wis. Stat. § 551.102(15), an investment adviser is defined as a person that, for compensation, engages in the business of advising others, either directly or through publications, writings, or electronic means, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice regarding securities to others for compensation as part of a business or that holds itself out as providing investment advice regarding securities to others for compensation.

15. Pursuant to Wis. Stat. § 551.102(16), an investment adviser representative is defined as an individual employed by or associated with an investment adviser or federal covered investment adviser and who makes any recommendations or otherwise gives investment advice regarding securities, manages accounts or portfolios of clients, determines which recommendation or advice regarding securities should be given, provides investment advice or holds herself or himself out as providing investment advice, receives compensation to solicit, offer, or negotiate for the sale of or for selling investment advice, or supervises employees who perform any of the foregoing.

16. Pursuant to Wis. Stat. § 551.403(1), it is unlawful for a person to transact business in Wisconsin as an investment adviser unless the person is registered under Ch. 551 as an investment adviser or is exempt from registration as an investment adviser under Wis. Stat. § 551.403(2).

17. Pursuant to Wis. Stat. § 551.404(1), it is unlawful for an individual to transact business in Wisconsin as an investment adviser representative unless the individual is registered under Ch. 551 as an investment adviser representative or is exempt from registration as an investment adviser representative under Wis. Stat. § 551.404(2).

18. Pursuant to Wis. Stat. § 551.501(2), it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

19. Pursuant to Wis. Stat. § 551.501(3), it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to engage in an act, practice,

or course of business that operates or would operate as a fraud or deceit upon another person.

20. Pursuant to Wis. Stat. § 551.502(1), it is unlawful for a person that advises others for compensation, either directly or indirectly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as part of a regular business, issues or promulgates analyses or reports relating to securities, to employ a device, scheme, or artifice to defraud another person or to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

21. Epic Advisory, LLC is an investment adviser, as that term is defined under Wis. Stat. § 551.102(15).

22. Schnepp is an investment adviser representative, as that term is defined under Wis. Stat. § 551.102(16).

Violations

23. Through the conduct described above in ¶¶ 3-12, Epic violated Wis. Stat. § 551.403(1) by transacting business in Wisconsin as an investment adviser without being registered under Ch. 551 or exempted from registration under Wis. Stat. § 551.403(2).

24. Through the conduct described above in ¶¶ 3-12, Schnepp violated Wis. Stat. § 551.404(1) by transacting business in Wisconsin as an investment adviser representative of Epic Advisory without being registered under Ch. 551 or exempted from registration under Wis. Stat. § 551.404(2).

25. Through the conduct described above in ¶¶ 3-12, the Respondents violated Wis. Stat. § 551.501(2) when they failed to disclose to their investment advisory clients that Schnepp had been discharged from LPL Financial and that Epic Advisory and Schnepp were not registered to provide investment advice.

26. Through the conduct described above in ¶¶ 3-12, the Respondents violated Wis. Stat. § 551.501(2) when they represented to their clients and prospective clients that the Respondents were registered as an investment adviser and investment adviser representative.

27. Through the conduct described above in ¶¶ 3-12, the Respondents violated Wis. Stat. § 551.502 when they failed to disclose to their investment advisory clients that Schnepp had been discharged from LPL Financial and that Epic Advisory and Schnepp were not registered to provide investment advice.

28. Through the conduct described above in ¶¶ 3-12, the Respondents violated Wis. Stat. § 551.502 when they represented to their clients and prospective clients that the Respondents were registered as an investment adviser and investment adviser representative.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stat. §§ 551.604 and 551.412, to issue the following orders and notices:

A. Consent Orders issued pursuant to Wis. Stat. §§ 551.412 and 551.604

(a) IT IS ORDERED that RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of RESPONDENTS, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Ch. 551 or successor statute, pursuant to Wis. Stats. §§ 551.604(1)(a) and (2).

(b) IT IS FURTHER ORDERED that all exemptions from registration set forth in Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of RESPONDENTS, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(b) and (2).

(c) IT IS FURTHER ORDERED that RESPONDENTS, their successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of RESPONDENTS are prohibited from violating Wis. Stat. § 551.501 or successor statute.

(d) IT IS FURTHER ORDERED that RESPONDENTS are permanently barred from future registration under Ch. 551 in any capacity.

(e) IT IS FURTHER ORDERED that RESPONDENTS disgorge any and all advisory fees, profits, or other moneys received as compensation for rendering investment advisory services to Wisconsin residents while the RESPONDENTS were not registered to provide such services, with interest on such amount at the legal rate under Wis. Stat. § 138.04, starting from the date of each payment from the client through the date of satisfaction, less any amount repaid to the client prior to the issuance of this Order, pursuant to Wis. Stat. § 551.604(4m). RESPONDENTS shall provide proof of the disgorgement payments to the clients to the Division no later than 30 days after the issuance of this Order.

(f) PLEASE TAKE NOTICE that the summary orders of the Administrator are effective as of the date of issuance of this order, pursuant to Wis. Stat. § 551.604(2). You are advised that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

B. Service of Order

(g) IT IS FURTHER ORDERED that this order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code § DFI-Sec 8.06. This order shall also be served upon the office of the administrator pursuant to Wis. Stat. § 551.611.

(h) PLEASE TAKE NOTICE that the date of the service of this order is the date it is placed in the mail, which is also the issue and effective date below.

C. Notifications

(i) PLEASE TAKE NOTICE that this Order consented to by RESPONDENTS prohibits RESPONENTS from transacting securities business in the State of Wisconsin per the terms of the orders issued pursuant to Wis. Stat. §§ 551.604(2) and 551.412, is effective upon the date issued.

(j) PLEASE TAKE NOTICE that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

EXECUTED at Madison, Wisconsin this 29th day of January, 2019.

Leslie M. Van Buskirk

Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin Department of Financial Institutions
4822 Madison Yards Way, 4th Floor
Madison, WI 53705

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of,

WILLIAM J. SCHNEPP and
EPIC ADVISORY, LLC

Respondents.

WAIVER AND CONSENT TO ORDER

DFI Case No. S-239068 (EX)

The undersigned Respondent, WILLIAM J. SCHNEPP, having decided not to contest the issuance of the attached Order, hereby waives his right to a hearing with respect to this matter, including waiving findings of fact and conclusions of law as may otherwise be required for the Order, and hereby consents to the issuance of the Order.

Respondent hereby acknowledges that, in exchange for Respondent's voluntary consent and agreement to cease and desist from further violations of Ch. 551, the revocation of certain exemptions, permanent bar from securities registration going forward, disgorgement, and other conditions as described in the attached Order, the Division agrees to forgo further legal action, including injunction proceedings in a circuit court pursuant to Wis. Stat. § 551.603, and to resolve this matter by issuance of the attached Order.

The undersigned Respondent understands and agrees that the attached Order shall prohibit Respondent from transacting any securities business in the State of Wisconsin, effective on the date the Order is issued.

The undersigned Respondent understands that the Order, when signed by the Administrator of the Division of Securities, is effective on the date issued and that a willful violation of an Order signed by the Administrator is a criminal offense pursuant to Wis. Stat. § 551.508.

WILLIAM J. SCHNEPP

State of WI)
County of Waukesha)
Subscribed before me this
25 of January, 2019.

Notary Public
My commission is permanent/expires 7-25-2020

JAMIE L. MYSZEWSKI NOTARY PUBLIC STATE OF WISCONSIN

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of,

WILLIAM J. SCHNEPP and
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Respondents.

WAIVER AND CONSENT TO ORDER

DFI Case No. S-239068 (EX)

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Respondent hereby acknowledges that, in exchange for Respondent's voluntary consent and agreement to cease and desist from further violations of Ch. 551, the revocation of certain exemptions, permanent bar from securities registration going forward, disgorgement, and other conditions as described in the attached Order, the Division agrees to forgo further legal action, including injunction proceedings in a circuit court pursuant to Wis. Stat. § 551.603, and to resolve this matter by issuance of the attached Order.

The undersigned Respondent understands and agrees that the attached Order shall prohibit Respondent from transacting any securities business in the State of Wisconsin, effective on the date the Order is issued.

The undersigned Respondent understands that the Order, when signed by the Administrator of the Division of Securities, is effective on the date issued and that a willful violation of an Order signed by the Administrator is a criminal offense pursuant to Wis. Stat. § 551.508.

Wm J Schnepp

WILLIAM J. SCHNEPP
on behalf of EPIC ADVISORY, LLC

State of WI)
County of Waukesha)
Subscribed before me this
23rd of January, 2019.

Mayra Vazquez
Notary Public
My commission is permanent/expires 08/02/2020

MAYRA VAZQUEZ
NOTARY PUBLIC
STATE OF WISCONSIN

State of Wisconsin

Department of Financial Institutions

Tony Evers, **Governor** | Kathy Blumenfeld, **Secretary**

AFFIDAVIT OF SERVICE
AND COMPLIANCE WITH WIS. STAT. § 551.611

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon Respondent William J. Schnepp at his last known address of 3520 Olde Howell Road, Waukesha, WI 53188:

   i. A copy of the Consent Order to Cease and Desist, Permanent Bar, and Imposing Disgorgement, DFI Case No. S-239068 (EX); and

   ii. A copy of this Affidavit of Service.

3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi
KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 29th day of January, 2019.

Lindsay Fedler
Notary Public, State of Wisconsin

(Notary Seal)

LINDSAY FEDLER
NOTARY PUBLIC
STATE OF WISCONSIN

My commission is permanent.

State of Wisconsin

Department of Financial Institutions

Tony Evers, **Governor** Kathy Blumenfeld, **Secretary**

AFFIDAVIT OF SERVICE
AND COMPLIANCE WITH WIS. STAT. § 551.611

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon Respondent Epic Advisory, LLC at its last known address of 3520 Olde Howell Road, Waukesha, WI 53188:

   i. A copy of the Consent Order to Cease and Desist, Permanent Bar, and Imposing Disgorgement, DFI Case No. S-239068 (EX); and

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I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi
KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 29th day of January, 2019.

Lindsay Fedler

Notary Public, State of Wisconsin

My commission is permanent.

(Notary Seal)

LINDSAY FEDLER
NOTARY PUBLIC
STATE OF WISCONSIN