

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, OCTOBER 4, 2024

SEC - BANKS OFFICE
STATE CORP COMMISSION CENTER

241030032

COMMONWEALTH OF VIRGINIA, *ex rel.*

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STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2024-00030

MML INVESTORS SERVICES, LLC,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of MML Investors Services, LLC ("MMLIS" or "Defendant"), pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

MMLIS was registered as a limited liability company in Virginia in 2011. MMLIS is an independent broker-dealer and registered investment adviser offering investment and wealth management services to its clients. MMLIS is a subsidiary of MassMutual Holding LLC and has been registered as a broker-dealer in Virginia since July 16, 1982. MMLIS notice filed as a registered investment adviser with the Division on August 15, 1994.

Based on its investigation, the Division alleges that MMLIS records dated October 1, 2021, show that MMLIS employed approximately 516 unregistered broker-dealer agents who were assigned to Virginia client accounts, even though such agents were not registered in Virginia. Accordingly, the Division alleges that such actions constituted violations of § 13.1-504 B of the Act.

If any provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 A of the Act to impose a civil penalty; by § 13.1-521 C of the Act to order a defendant to make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order"). The Division further notes that in advance of the entry of this Order, MMLIS worked cooperatively with the Division to address the Division's concerns regarding the unregistered Virginia broker-dealer agents.

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Division wherein the Defendant will abide by and comply with the following terms:

- (1) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Fifty Thousand Dollars (\$50,000) in monetary penalties;
- (2) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Fifteen Thousand Dollars (\$15,000) to defray the costs of investigation in this matter; and
- (3) The Defendant will not violate the Act in the future.

The Division supports the Defendant's settlement offer and has recommended that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the settlement should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The settlement is accepted.
- (2) The Defendant shall fully comply with the terms of the settlement stated herein.
- (3) This case is dismissed.

A COPY hereof shall be sent by the Clerk of the Commission by electronic mail to:

Laura Evans, Compliance Consultant, Regulatory Relations, levans2@massmutual.com and

Andrew Smith, Lead Counsel, Broker-Dealer and Investment Adviser Practice Group,

ASmith@MassMutual.com, MassMutual, 1295 State Street, Springfield, Massachusetts 01111-

0001; and a copy shall be delivered to the Commission's Office of General Counsel and the

Division of Securities and Retail Franchising.

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Defendant

ADMISSION AND CONSENT

MML Investors Services, LLC ("Defendant") admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof. The Defendant, while neither admitting nor denying the allegations made herein by the Division of Securities and Retail Franchising, hereby consents to the form, substance and entry of the foregoing Settlement Order ("Order").

The Defendant further states that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, subordinate, employee, agent or representative thereof in consideration of the foregoing Order.

MML Investors Services, LLC

Date: 8/27/24

By: Vander Baum

Its: President

Seen by:

Andrew Smith

Andrew Smith, Esquire