

FOR IMMEDIATE RELEASE

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NH SECURITIES BUREAU RESOLVES MATTER WITH FEDERAL INVESTMENT ADVISER FOR \$2.9 MILLION

CONCORD, NH (December 6, 2016) – The New Hampshire Bureau of Securities Regulation (the “Bureau”) entered into a Consent Order with Waddell & Reed, Inc., an investment adviser based in Overland Park, Kansas, related to various violations of New Hampshire securities law by one of its New Hampshire representatives.

The Bureau initiated its investigation in this matter based on a complaint received from a former client of the representative who expressed concerns about certain financial planning fees charged by the representative. During the course of its investigation, it was revealed that the representative verbally misrepresented to many of his clients, over a period of years, the nature of the financial planning fees being charged. The Bureau also noted certain deficiencies in Waddell & Reed’s supervision of the representative in question.

As part of the Consent Order, Waddell & Reed has agreed to pay the Bureau a total of \$900,000, representing a fine, investigation costs, and a contribution to the Bureau’s investor education fund. Waddell & Reed has also agreed to refund certain financial planning fees paid by the clients of the representative in question, in the amount of \$2,012,615.80. Additionally, Waddell & Reed has also agreed to complete and maintain certain enhancements to its supervision of its representatives’ investment advisory activities.

“The Bureau is pleased to see that over \$2,000,000 is being refunded to clients harmed by the actions of the representative in question,” said Bureau Staff Attorney Eric Forcier, the lead attorney on the case. Forcier added that “the Bureau is also pleased with Waddell &

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Reed's efforts in reaching a resolution that addresses concerns related to both current and former clients."

Adrian LaRochelle, another Bureau Staff Attorney assigned to the case pointed to the fact that "investment adviser representatives, like the one at issue here, have a duty to act in the best interests of their clients and not their own self-interest and should be held accountable for any breach of that duty."

According to Deputy Director of Enforcement, Jeffrey Spill, "We take these kinds of cases very seriously and believe that this resolution strikes a great balance between protecting investors and deterring unlawful conduct."