

FILED

2018 AUG -6 AM 10:31

PA DEPARTMENT OF
BANKING AND SECURITY

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA :
DEPARTMENT OF BANKING AND :
SECURITIES, BUREAU OF SECURITIES :
COMPLIANCE AND EXAMINATIONS : Docket No. : 180020 (SEC-OSC)

v.

KAIROS CAPITAL ADVISORS, LLC :
RUSSELL GARN REDENBAUGH :

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Bureau of Securities Compliance and Examinations (“Bureau”), has conducted an investigation of the business practices of Kairos Capital Advisors, LLC (“KCA”) and Russell Garn Redenbaugh (“Redenbaugh”). Based on the results of its investigation, the Bureau has concluded that KCA and Redenbaugh have operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 *et seq* (“1972 Act”). KCA and Redenbaugh, in lieu of litigation, and without admitting or denying the allegations herein, and intending to be legally bound, hereby agree to the terms of this Consent Agreement and Order (“Order”).

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania’s administrative agency authorized and empowered to administer and enforce the 1972 Act.
2. The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department.

3. At all times material herein, KCA (CRD # 134552) was a Pennsylvania limited liability company with a mailing address at 1 Wellington Court, Medford, New Jersey 08055.

4. At all times material herein, Redenbaugh (CRD # 4934691) was an individual with an address at: Redacted

5. On the Uniform Application for Investment Adviser Registration ("Form ADV"), KCA lists its principal place of business at 295 Upper Gulph Road, Stafford, Pennsylvania 19087.

6. From in or about September 2005 until the present, KCA has been registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c), as an investment adviser.

7. From in or about September 2005 until the present, Redenbaugh has been registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c), as an investment adviser representative of KCA.

8. From in or about September 2005 until the present, Redenbaugh was the managing partner and chief compliance officer of KCA.

9. As the managing partner and chief compliance officer of KCA, Redenbaugh acted as an "affiliate" of KCA within the meaning of Section 102(b) of the 1972 Act, 70 P.S. § 1-102(b), and, as such, caused KCA to commit the herein stated acts which violated the 1972 Act.

10. At all times material herein, KCA has had discretionary authority over client funds or securities.

11. Pursuant to Regulation 303.042(a)(4), 10 Pa. Code § 303.042(a)(4), an investment adviser that has its principal place of business in this Commonwealth and has discretionary authority over client funds or securities shall maintain at all times a minimum net worth of \$10,000.

12. On August 31, 2017, KCA submitted to the Department a balance sheet for the period ending December 31, 2016 that disclosed a net worth deficiency.

VIOLATION

13. By engaging in the acts and conduct set forth in paragraphs 3 through 12 above, KCA and Redenbaugh failed to maintain a sufficient minimum net worth of \$10,000 in violation of Section 305(a)(v) of the 1972 Act, 70 P.S. § 1-305(a)(v), and Regulation 303.042(a)(4), 10 Pa. Code § 303.042(a)(4), promulgated thereunder.

RELIEF

14. Within 30 days of the Effective Date of this Order, as defined in paragraph 22, KCA and Redenbaugh shall pay the Department an administrative assessment in the amount of \$10,000.00. Payment shall be made by certified check or money order made payable to the “Department of Banking and Securities” and shall be mailed or delivered in person to the Bureau of Securities Compliance and Examinations located at 17 North Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.

15. KCA and Redenbaugh are ORDERED to comply with the 1972 Act and Regulations adopted by the Department, and in particular Section 305(a)(v) of the 1972 Act, 70 P.S. § 1-305(a)(v), and Regulation 303.042(a)(4), 10 Pa. Code § 303.042(a)(4), promulgated thereunder.

16. Should KCA and Redenbaugh fail to pay the assessment as set forth in paragraph 14 above, the sanctions set forth elsewhere in the Order shall continue in full force and effect until full payment is made. However, this provision shall not be construed as affording KCA and Redenbaugh the option of either paying the assessment or being indefinitely subject to the sanctions.

17. Should KCA and Redenbaugh fail to comply with any and/or all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to KCA's and Redenbaugh's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

18. Consent. KCA and Redenbaugh hereby knowingly, willingly, voluntarily, and irrevocably consent to the entry of this Order pursuant to the Bureau's authority under the 1972 Act and agree that they understand all of the terms and conditions contained herein. KCA and Redenbaugh, by voluntarily entering into this Order, waive any right to a hearing or appeal concerning the terms, conditions, and/or penalties set forth in this Order.

19. Entire Agreement. This Order contains the entire agreement among the Department, KCA, and Redenbaugh. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department, KDA, and Redenbaugh.

20. Binding Nature. The Department, KCA, and Redenbaugh, and all officers, owners, directors, employees, heirs and assigns of KCA and Redenbaugh intend to be and are legally bound by the terms of this Order.

21. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

22. Effectiveness. KCA and Redenbaugh hereby stipulate and agree that the Order shall become effective on the date the Bureau executes the Order ("Effective Date").

23. Other Enforcement Action.

(a) The Department reserves all of its rights, duties, and authority to enforce all statutes, rules, and regulations under its jurisdiction against KCA and Redenbaugh in the future regarding all matters not resolved by this Order.

(b) KCA and Redenbaugh acknowledge and agree that this Order is only binding upon the Department and not any other local, state or federal agency, department, or office regarding matters within this Order.

24. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

25. Counterparts. This Order may be executed in separate counterparts, by facsimile and/or by PDF.

26. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

27. Finding. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Compliance and Examinations, Kairos Capital Advisors, LLC, and Russell Garn Redenbaugh, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
BUREAU OF SECURITIES COMPLIANCE AND EXAMINATIONS**

Redacted

Joseph J. Minisi, Deputy Secretary for Securities

Date: August 6, 2018



FOR KAIROS CAPITAL ADVISORS, LLC

Redacted

(Signature)

Russell Garn Redenbaugh

(Print Officer Name)

Managing Partner

(Title)

Date: 8/2/18

RUSSELL GARN REDENBAUGH

Redacted

(Signature)

Russell Garn Redenbaugh

(Print Name)

Date: 8/2/18