

**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION
SECURITIES DIVISION**

**IN RE: ELIZABETH THAMES
DBA FRUGALWOODS**

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DOCKET NO. 24-17-S

STIPULATION AND CONSENT ORDER

This Stipulation and Consent Order is entered this 26th day of December 2024 by and among Elizabeth Thames, d/b/a Frugalwoods, (“Respondent”) and the Securities Division of the State of Vermont Department of Financial Regulation (“Department”).

WHEREAS, the Commissioner of the Department (“Commissioner”) is responsible for administering and enforcing the Vermont Uniform Securities Act (“Securities Act”), Title 9, Chapter 150 of the Vermont Statutes Annotated, pursuant to which the Department has conducted a review of Respondent’s activities as a “financial consultant”; and

WHEREAS, as a result of the Department’s review, the Department has concluded that Respondent violated the Securities Act by providing investment advice for compensation in Vermont without registering as an investment adviser or investment adviser representative and without qualifying for any exemption from registration; and

WHEREAS, Respondent asserts she acted in good faith and that no clients were harmed; and

WHEREAS, the Respondent and the Department wish to resolve these alleged violations without further administrative proceedings or litigation; and

WHEREAS, Respondent elects to permanently waive any right to a hearing and appeal under the Vermont Administrative Procedure Act, Title 3, Chapter 25 of the Vermont Statutes Annotated; the rules, regulations, and orders of the Commissioner; any right to trial by jury; and any right it may have to judicial review by any court strictly with respect to this Consent Order.

NOW THEREFORE, the parties so stipulate and agree to the terms and conditions in this Stipulation and Consent Order as follows:

FINDINGS OF FACT

1. Respondent Elizabeth Thames, d/b/a Frugalwoods, is a natural person who has resided in Vershire, Vermont, from May 2016 to present.

2. In September 2022, Respondent began to offer to the public financial consultation services for a fee.

3. According to Respondent's website, www.frugalwoods.com/consulting/, Respondent offers three distinct financial consulting packages: the "Financial Second Opinion," priced at \$1,500; the "Complete Financial Consultation," priced at \$3,500; and the "Complex Financial Consultation," priced at \$5,500. The latter two packages both include a "complete written financial plan addressing all aspects of your finances including customer retirement projections made with retirement modeling software. This plan will teach you how to manage your money, answer your questions and provide a set of detailed next steps." Respondent has also provided pro bono consultation services and plans.

4. In written financial plans for clients, Respondent gave clients individualized advice on how to manage their assets, including advice on whether to buy, sell or hold securities held in 401K, IRA, and taxable brokerage accounts. For some clients, Respondent gave advice on whether to buy or sell specific securities. Respondent also advised clients to purchase specific

low-cost index fund ETFs.

5. Between September 2022 and June 2024, Respondent provided financial consulting services for a fee to 31 clients. She provided plans to 25 clients. Plans for six clients were not completed nor provided to clients pending the resolution of this matter.

6. Respondent has never been registered as an investment adviser or investment adviser representative in Vermont.

7. On June 13, 2024, through counsel, Respondent informed the Department that she has voluntarily ceased providing what the Department alleges to be investment advice to clients. Respondent has also indicated that if she intends to provide individualized investment adviser services to her clients, she intends to register as an investment adviser and as an investment adviser representative with the Department.

8. Respondent fully and voluntarily cooperated with the Department's investigation.

CONCLUSIONS OF LAW

1. Section 5102(15) of the Securities Act defines an investment adviser as a "person that, for compensation, engages in the business of advising others, either directly 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 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 to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation."

2. Between September 2022 and June 2024, Respondent engaged in the business of

advising others for compensation regarding the value of securities or advisability of investing, purchasing, or selling securities, thereby meeting the definition of an investment adviser under the 9 V.S.A. § 5102(15).

3. Pursuant to 9 V.S.A. § 5403(a), a person may not transact business in Vermont as an investment adviser unless the person is registered as an investment adviser or is exempt from registration.

4. Respondent is not exempt from registration pursuant to any of the exemptions enumerated in 9 V.S.A. § 5403.

5. By operating as an investment adviser in Vermont without proper registration or exemption from registration, Respondent has violated 9 V.S.A. § 5403(a).

6. Pursuant to 9 V.S.A. § 5604, after determining that a person has engaged in an act that constitutes a violation of the Securities Act, the Commissioner may, among other things, issue a final order directing the person to cease and desist from engaging in the act, and pay a civil penalty.

7. Pursuant to 9 V.S.A. § 5604, the Commissioner issues the following Consent Order.

CONSENT ORDER

1. Respondent acknowledges and admits to the jurisdiction of the Commissioner over only the subject matter of this Stipulation and Consent Order.

2. This Stipulation and Consent Order is entered into by Respondent strictly to settle a disputed claim. Respondent neither admits nor denies the facts and conclusions of law set forth herein.

3. This Stipulation and Consent Order is entered into solely for the purpose of

resolving the violations identified herein and is not intended for any other purpose.

4. Respondent acknowledges and agrees that the Stipulation and Consent Order is entered into freely and voluntarily and that no promise was made, nor was any coercion used, to induce the Respondent to enter into the Stipulation and Consent Order.

5. Respondent shall comply with the Vermont Uniform Securities Act.

6. Respondent agrees to cease and desist engaging in any unregistered activity as an investment adviser and investment adviser representative in Vermont until such time as Respondent is registered with the Department as an investment adviser and investment adviser representative or qualifies for an exemption from such registration. The Department agrees that this Stipulation and Consent Order shall not be grounds to deny or condition future registration.

7. Respondent agrees to pay a civil penalty of \$7,500 to the Department of Financial Regulation. Payment shall be due to the Department within 10 days of the execution of this Stipulation and Consent Order.

8. If Respondent fails or neglects to comply with any of the terms, conditions or undertakings set forth in this Stipulation and Consent Order, the Department may, upon written notice to Respondent, institute any legal or administrative proceedings it deems appropriate to enforce same and to seek such other appropriate sanctions, and Respondent shall consent to the entry of judgment for any unpaid balance.

9. Upon receipt by the Department of the full \$7500 amount paid by Respondent in accordance with the terms of this Stipulation and Consent Order, this Stipulation and Consent Order will be deemed to have documented the final resolution of this matter and all claims that could have been brought as part of this matter, and shall not be a basis for and shall be preclusive of action against Respondent by the Department arising out of these same events in regards to

the business of securities except in determining any action or penalty that may be imposed by the Department for any future violations of law by Respondent.

10. This Stipulation and Consent Order shall have no bearing on Respondent's ability to register as an investment adviser and/or investment adviser representative in Vermont.

11. This Stipulation and Consent Order shall be governed by and construed under the laws of the State of Vermont.

SIGNATURES

The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated and agreed to.

BY: *Elizabeth Thames*
Elizabeth Thames

Date: December 17, 2024



The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated, agreed to, and ordered. This ORDER shall become effective immediately upon the date set forth below.

BY ORDER OF THE COMMISSIONER

26th day of December, 2024

Kevin Gaffney
KEVIN GAFFNEY, Commissioner
Vermont Department of Financial Regulation