

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

In the Matter of

JOHN W. WOLF and
CORNRSTONE FINANCIAL PLANNING, INC.

Respondents.

CONSENT ORDER
CONDITIONING REGISTRATION
AS AN INVESTMENT ADVISER
AND INVESTMENT ADVISER
REPRESENTATIVE

DFI Case No. S-246381 (LX)

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. John W. Wolf (CRD# 1846080) ("Wolf") is an adult male resident of Wisconsin with a last known address of 30 Balsam Court, Appleton, Wisconsin 54913. Wolf has been the President of Cornerstone Financial Planning, Inc. at all times material.
2. Cornerstone Financial Planning, Inc. (CRD# 151866) ("Cornerstone") is a corporation organized in Wisconsin on November 27, 2002 with a last known address of 5601 West Grande Market Drive, Suite E, Appleton, Wisconsin 54913. Cornerstone's investment adviser registration was approved by the Division on March 29, 2012.

Conduct

Unsuitable Recommendations of GWG L Bonds

3. GWG Holdings, Inc. (“GWG”) is a corporation organized in the state of Delaware on March 19, 2008. Prior to 2018, GWG’s business model involved acquiring life insurance policies on the secondary market. In 2018 and 2019, GWG executed a series of transactions with The Beneficient Company Group, L.P. (“Beneficient”) that reoriented GWG’s business and capital allocation strategy towards Beneficient’s business model of providing liquidity to holders of alternative assets.¹ GWG intended to use the net proceeds from the offering of the L Bonds to grow their alternative asset exposure primarily through investments in Beneficient in the form of equity investments or loans, and to meet their other obligations, including debt obligations. The L Bonds were unrated high-yield bonds offering accrued interest between 5.5% and 8.5% per annum with terms of two, three, five and seven years.
4. The June 3, 2020 L Bond prospectus and subsequent supplements stated that investing in the L Bonds may be considered speculative and involve a high degree of risk, including the risk of losing the entire investment. It also states the L Bonds are only suitable for persons with substantial financial resources and with no need for liquidity in this investment.
5. GWG temporarily suspended the sale of L Bonds on April 16, 2021 because it was unable to file its Form 10-K for the year ended December 31, 2020 within the prescribed time period because the company required additional time to complete its financial statements and related disclosures to be included in the Form 10-K. GWG subsequently filed its 2020 Form 10-K on November 5, 2021.
6. GWG issued a prospectus supplement on November 24, 2021 and resumed selling the L Bonds. The November 2021 prospectus supplement contained important information and disclosures about GWG and L Bonds, including: (a) there was substantial doubt regarding GWG’s ability to continue as a going concern; (b) there were material weaknesses identified in GWG’s internal controls over financial reporting for all periods from December 31, 2019 to December 31 2020; (c) GWG’s business would be adversely impacted and their ability to service and repay their debt obligations would be compromised if for any reason they were again forced to suspend the L Bond offering.
7. Between January 2021 and December 2021, Wolf purchased \$6,951,000 in L Bonds issued by GWG in 41 client accounts and his own accounts. Wolf purchased \$3,455,000 in L Bonds on January 31, 2021, February 15, 2021 and March 31, 2021. Wolf

¹ According to GWG’s June 2020 prospectus, Beneficient, through its subsidiaries, planned to operate three potentially high value, high margin lines of business: (i) private trust lending and liquidity products; (ii) trust and custody services; and (iii) financial technology.

purchased \$3,496,000 in L Bonds on November 30, 2021 and December 15, 2021 once GWG resumed selling the L Bonds, despite the warnings in its November 24, 2021 prospectus supplement described in ¶6.

8. Wolf's clients who invested in the L Bonds had investment objectives of conservative to moderate growth and income documented in their client files. None of the clients had designated that their investment objectives should be achieved with speculative securities with a high risk of total loss.
9. Cornerstone's Model Portfolio documents dated October 24, 2018 stated that high-yield bonds could be used for a growth investment portfolio with 5% concentration or an aggressive growth investment portfolio with 3% concentration. However, Cornerstone and Wolf invested at least 27 clients' portfolios into L Bonds at a concentration of more than 10%, at least 13 of those clients' portfolios into L Bond concentrations of over 20%, and at least 6 clients' portfolios into L Bond concentrations of 30-52% at the end of 2021.
10. On January 15, 2022, GWG again suspended the sale of L Bonds.
11. On April 20, 2022, GWG filed for Chapter 11 bankruptcy.
12. On March 12, 2025, the GWG Litigation Trustee filed a proposed settlement offer with the United States Bankruptcy Court for the Southern District of Texas. According to the proposed settlement, the GWG Litigation Trustee estimates a net distribution of approximately \$59,825,384.16 will be distributed to the GWG Wind Down Trust. The net settlement proceeds represent about 3.7% of the \$1.6 billion of GWG L Bonds outstanding when GWG filed for bankruptcy. If the proposed settlement is approved by the court, investors in the L Bonds could lose approximately 96.3% of their investment.

Fees and Commissions on Fixed Annuities

13. Between January 1, 2024 to December 31, 2024, Cornerstone and Wolf received \$181,172.52 in commissions on the sale of fixed annuities from Jackson National Life Insurance Company ("JNL") to 32 clients with premiums totaling \$5,170,697.97.
14. Despite receiving \$181,172.52 in commissions, Cornerstone and Wolf also charged the clients the firm's annual asset under management fees on the fixed annuities. Cornerstone and Wolf collected \$41,566.22 in asset under management fees for 4th quarter 2024, 1st quarter 2025 and 2nd quarter 2025.
15. During an exam on April 16, 2025, Division staff noted that collecting a commission and charging an annual asset under management fee on the fixed annuities was considered an unreasonable fee. Wolf subsequently informed the Division by email the next day he would not bill annual asset under management advisory fees on the JNL annuities and

agreed to rebate \$41,566.22 in advisory fees to the clients affected on the next quarterly billing cycle.

B. Conclusions of Law

Legal Authority and Jurisdiction

16. The Administrator has the legal authority and jurisdiction over the conduct described above, pursuant to Wis. Stats. Ch. 551 and the rules and orders promulgated thereunder.
17. Pursuant to Wis. Stat. § 551.412(2), if the administrator finds that the order is in the public interest and sub (4) authorizes the action, an order issued under this chapter may revoke, suspend, censure, condition or limit the registration of a registrant and, if the registrant is a broker-dealer or investment adviser, of a partner, officer, director, person having a similar status or performing similar functions, or person directly or indirectly in control of the broker-dealer or investment adviser.
18. Pursuant to Wis. Admin. Code § DFI-Sec 5.06(4), it is deemed a dishonest or unethical business practice or taking unfair advantage of a client by recommending to a client the purchase, sale or exchange of any security without reasonable grounds to believe that the recommendation is suitable for the client on the basis of information furnished by the client after reasonable inquiry concerning the client's investment objectives, financial situation and needs, and any other information known by the investment adviser.
19. Pursuant to Wis. Admin. Code § DFI-Sec 5.06(15), it is deemed a dishonest or unethical business practice or taking unfair advantage of a client by charging a client an unreasonable fee.

Violations

20. JOHN W. WOLF and CORNERSTONE FINANCIAL PLANNING, INC. violated Wis. Admin. Code § DFI-Sec 5.06(4) when they recommended clients purchase the GWG L Bonds when none of the clients had designated that their investment objectives should include speculative securities with a high risk of total loss.
21. JOHN W. WOLF and CORNERSTONE FINANCIAL PLANNING, INC. violated Wis. Admin. Code § DFI-Sec 5.06(15) when they charged clients a commission and annual asset under management fee for JNL fixed annuity assets.

Conditional Registration

22. Due to the Division's ongoing concerns regarding Cornerstone's advisory activities, the Administrator is imposing the following conditions regarding the registration of

Cornerstone as an investment adviser and Wolf's individual registration as an investment adviser representative (collectively referred to as "you" or "your"):

- a. Your firm will be subject to more frequent exams by the Division, per Wis. Stats. § 551.411(4) and 551.412(4)(h), some of which may be unannounced. The exams will take place at your place of business or may require your presence at our Madison office;
- b. You will notify the Division in writing within five business days of any involvement with, or action taken against you by, any regulatory authority or entity;
- c. You will notify the Division in writing within five business days of any verbal or written customer complaints;
- d. You will notify the Division in writing within five business days of any civil litigation or arbitration filed against you or the firm related to investments, indebtedness and/or bankruptcy;
- e. You will cease recommending or purchasing any non-traded alternative investments (including, but not limited to real estate investment trusts), private placements, high yield "junk" bonds, derivative securities products, over the counter equity securities, any exempt offering, or other illiquid securities in client accounts as of the date of this order.
- f. You will limit your recommendations or purchases to publicly traded equity securities, mutual funds, exchange-traded funds (ETFs) that are not leveraged or inverse in any manner, corporate debt securities, certificates of deposit, U.S. government securities, municipal securities and insurance products subject to regulation by the Wisconsin Office of the Commissioner of Insurance.
- g. You will impose reasonable concentration limits on client accounts and will work with your compliance consultant to develop written procedures designed to monitor concentration in client accounts.
- h. You will work with your compliance consultant to update Section 34 of your Compliance and Operating Procedures Manual to document and implement detailed written procedures designed to verify accuracy of fees deducted from client accounts. The procedures should be specifically tailored to your firm, its vendors and custodian(s). Your procedures will also address how client fees will

be refunded in the event of an error.

- i. You will meet at least annually with your compliance consultant to review the firm's written supervisory procedures.
- j. If you receive commission compensation on the sale of fixed annuities, you will not also charge your annual asset under management fee on these assets.
- k. You will refund clients for any annual asset under management fee collected on fixed annuity assets and provide proof to the Division within 14 calendar days.
- l. You will stay current on your Investment Adviser Representative Continuing Education requirements. For 2025 and 2026, to the extent reasonable, the courses you take will be focused on fiduciary responsibility, suitability and financial accounting.
- m. You will keep your Form U4 up to date as defined by Wis. Admin. Code DFI-Sec 5.04(3)(c) by filing an amendment with the central registration depository within 30 days of the date of the event that requires filing of the amendment.

23. These conditions shall remain in place until the termination of Cornerstone's registration or withdrawal of the conditions by the Division, whichever occurs first. If we determine at any time that you are not sufficiently meeting the conditions listed, we may take the appropriate disciplinary action pursuant to Wis. Stat. § 551.412(4)(r), up to and including revocation of your individual and firm registrations.

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, to issue the following orders and notices:

A. Consent Orders issued pursuant to Wis. Stat. § 551.604(2)

- (a) IT IS ORDERED that JOHN W. WOLF and CORNERSTONE FINANCIAL PLANNING, INC. agree to the conditions imposed above to maintain registration as investment adviser and investment adviser representative.

B. Service of Order

- (a) IT IS FURTHER ORDERED that this order shall be sent promptly by email to each party named in the order who has filed a Consent to Electronic Service with the Division. If a Consent to Electronic Service is not on file or has been revoked by the signatory, 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.
- (b) PLEASE TAKE NOTICE that the date of the service of this order is the date it is placed in the mail if service is by certified mail. If a party or the party's attorney is personally served, the date of service is the date service is completed. The date of service by email is the date the email is transmitted. 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.

C. Notifications

- (a) PLEASE TAKE FURTHER NOTICE failure to provide a copy of this Order to prospective investors or clients may be a material misrepresentation in violation of Ch. 551 and this Order.
- (b) PLEASE TAKE FURTHER NOTICE that any willful violation of an Order by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

EXECUTED at Madison, Wisconsin this 24th day of June, 2025.



A handwritten signature in cursive script, reading "Leslie M. VanBuskirk".

Leslie M. VanBuskirk
Administrator

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

In the Matter of

JOHN W. WOLF and
CORNERSTONE FINANCIAL PLANNING, INC.

WAIVER AND CONSENT TO
ORDER CONDITIONING
REGISTRATION
AS AN INVESTMENT ADVISER
AND INVESTMENT ADVISER
REPRESENTATIVE

Respondents.

DFI Case No. S-246381 (LX)

The undersigned Respondent, JOHN W. WOLF, on his own behalf and on behalf of CORNERSTONE FINANCIAL PLANNING, INC., having decided not to contest the issuance of the attached Order, hereby waives their rights 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 consent to the issuance of the Order.

Respondents reserve all defenses for any proceeding not covered by this consent order. The undersigned Respondents acknowledge the investigation regarding their conduct is ongoing and the Division may undertake further orders in the future. Respondents hereby acknowledge that, in exchange for Respondents' voluntary consent and agreement to cease and desist from further violations of Ch. 551, the revocation of certain exemptions, conditioning of investment adviser and investment adviser representative registration, and other conditions as described in the attached Order, the Division agrees to resolve this matter by issuance of the attached Order. Subject to Respondents' compliance with the attached Order, the Division agrees to forgo further legal action, including injunction proceedings in a circuit court pursuant to Wis. Stat. § 551.603. If Respondents fail to comply with any condition or term of the consent order, the Division reserves all rights under the law to enforce the Order against the Respondents.

The undersigned Respondents understand and agree that the attached Order shall prohibit the Respondents from transacting securities business in the State of Wisconsin per the terms of the order, effective on the date the Order is issued. The undersigned Respondent understands 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.

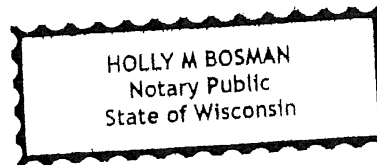
The undersigned Respondent, JOHN W. WOLF, confirms that he is competent to sign this waiver and consent form on his own behalf and on behalf of CORNERSTONE FINANCIAL PLANNING, INC.



JOHN W. WOLF, on his own behalf
and on behalf of
CORNERSTONE FINANCIAL PLANNING, INC.

State of Wisconsin)
County of Outagamie)
Subscribed before me this

11TH of June, 2025.


Notary Public

My commission is permanent/expires on 06/04/2027



State of Wisconsin
Department of Financial Institutions

Tony Evers, Governor

Wendy K. Baumann, Secretary-designee

**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 email upon John W. Wolf at his last known address of 30 Balsam Court, Appleton, Wisconsin 54913.
 - i. A copy of the Consent Order Conditioning Registration as an Investment Adviser and Investment Adviser Representative; DFI Case No. S-246381 (LX); 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

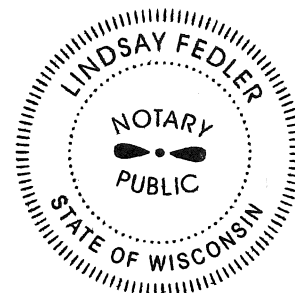
State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me
This 24th day of June, 2025.

Lindsay Fedler

Notary Public, State of Wisconsin
My commission is permanent.

(Notary Seal)





State of Wisconsin
Department of Financial Institutions

Tony Evers, Governor

Wendy K. Baumann, Secretary-designee

**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 email upon Cornerstone Financial Planning, Inc. at their last known address of 5601 West Grande Market Drive, Suite E, Appleton, Wisconsin 54913.
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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 24th day of June, 2025.

Lindsay Fedler

Notary Public, State of Wisconsin
My commission is permanent.

(Notary Seal)

