



## IAPD Report

# HENRY LEE PARROTT JR

CRD# 2370985

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Please contact FINRA with any concerns.



## **IAPD Information About Representatives**

IAPD offers information on all current-and many former representatives. Investors are strongly encouraged to use IAPD to check the background of representatives before deciding to conduct, or continue to conduct, business with them.

### **What is included in a IAPD report?**

IAPD reports for individual representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.

It is important to note that the information contained in an IAPD report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

### **Where did this information come from?**

The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD, (see more on CRD below) and is a combination of:

- information the states require representatives and firms to submit as part of the registration and licensing process, and
- information that state regulators report regarding disciplinary actions or allegations against representatives.

### **How current is this information?**

Generally, representatives are required to update their professional and disciplinary information in IARD within 30 days.

### **Need help interpreting this report?**

For help understanding how to read this report, please consult NASAA's IAPD Tips page <http://www.nasaa.org/IAPD/IARReports.cfm>

### **What if I want to check the background of an Individual Broker or Brokerage Firm?**

To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.

### **Are there other resources I can use to check the background of investment professionals?**

It is recommended that you learn as much as possible about an individual representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association <http://www.nasaa.org>



## Report Summary

### HENRY LEE PARROTT JR (CRD# 2370985)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **03/13/2023**.

### CURRENT EMPLOYERS

|    | Firm                           | CRD#        | Registered Since |
|----|--------------------------------|-------------|------------------|
| IA | VIRTUE CAPITAL MANAGEMENT, LLC | CRD# 167816 | 02/22/2023       |

### QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **1** jurisdiction(s).

Is this representative currently Inactive or Suspended with any regulator? **No**

**Note:** Not all jurisdictions require IAR registration or may have an exemption from registration.

Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

### REGISTRATION HISTORY

This representative was previously registered with the following firm(s):

|    | FIRM                                | CRD#   | LOCATION      | REGISTRATION DATES      |
|----|-------------------------------------|--------|---------------|-------------------------|
| IA | ESTATE & FINANCIAL STRATEGIES, INC. | 129965 | BRENTWOOD, TN | 02/13/2023 - 04/30/2023 |
| IA | ESTATE & FINANCIAL STRATEGIES, INC. | 129965 | BRENTWOOD, TN | 02/13/2018 - 12/31/2021 |
| IA | ESTATE & FINANCIAL STRATEGIES, INC. | 129965 | BRENTWOOD, TN | 03/13/2013 - 12/31/2017 |

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

### DISCLOSURE INFORMATION

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

Are there events disclosed about this representative?

**Yes**

The following types of events are disclosed about this representative:

| Type             | Count |
|------------------|-------|
| Regulatory Event | 1     |



## Qualifications

### REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works. This individual is currently registered with **1** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

#### Employment 1 of 1

Firm Name: **VIRTUE CAPITAL MANAGEMENT, LLC**  
Main Address: 12 CADILLAC DR.  
SUITE 280  
BRENTWOOD, TN 37027  
Firm ID#: 167816

|                                                                                 | Regulator | Registration                      | Status   | Date       |
|---------------------------------------------------------------------------------|-----------|-----------------------------------|----------|------------|
|  | Tennessee | Investment Adviser Representative | Approved | 02/22/2023 |

#### Branch Office Locations

**VIRTUE CAPITAL MANAGEMENT, LLC**  
750 OLD HICKORY BLVD.  
BUILDING ONE, SUITE 100  
BRENTWOOD, TN 37027



## Qualifications



### PASSED INDUSTRY EXAMS

This section includes all industry exams that the representative has passed. Under limited circumstances, a representative may attain registration after receiving an exam waiver based on a combination of exams the representative has passed and qualifying work experience. Likewise a new exam requirement may be grandfathered based on a representative's specific qualifying work experience. Exam waivers and grandfathering are not included below.

**This individual has passed 0 principal/supervisory exams, 1 general industry/product exam, and 1 state securities law exam.**

#### Principal/Supervisory Exams

| Exam | Category | Date |
|------|----------|------|
|------|----------|------|

No information reported.

#### General Industry/Product Exams

| Exam                                                                                    | Category | Date       |
|-----------------------------------------------------------------------------------------|----------|------------|
| <b>B</b> Investment Company Products/Variable Contracts Representative Examination (S6) | Series 6 | 09/27/1993 |

#### State Securities Law Exams

| Exam                                                          | Category  | Date       |
|---------------------------------------------------------------|-----------|------------|
| <b>B</b> Uniform Securities Agent State Law Examination (S63) | Series 63 | 09/20/1993 |



### PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **1** professional designation(s).

Chartered Financial Consultant

Only professional designations listed in Question 8 of the Form U4 will appear in this section if the appropriate box is checked and verified by the issuing organization at the time of the filing. Learn more about eligible designations at [IARD](#) and [NASAA](#).



## Registration & Employment History

### PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

|    | Registration Dates      | Firm Name                           | ID#         | Branch Location |
|----|-------------------------|-------------------------------------|-------------|-----------------|
| IA | 02/13/2023 - 04/30/2023 | ESTATE & FINANCIAL STRATEGIES, INC. | CRD# 129965 | BRENTWOOD, TN   |
| IA | 02/13/2018 - 12/31/2021 | ESTATE & FINANCIAL STRATEGIES, INC. | CRD# 129965 | BRENTWOOD, TN   |
| IA | 03/13/2013 - 12/31/2017 | ESTATE & FINANCIAL STRATEGIES, INC. | CRD# 129965 | BRENTWOOD, TN   |
| IA | 05/03/2004 - 12/31/2012 | ESTATE & FINANCIAL STRATEGIES, INC. | CRD# 129965 | BRENTWOOD, TN   |
| B  | 01/01/2004 - 01/30/2004 | ING FINANCIAL PARTNERS, INC.        | CRD# 2882   | WINDSOR, CT     |
| B  | 01/22/1999 - 01/01/2004 | LOCUST STREET SECURITIES, INC.      | CRD# 1703   | DES MOINES, IA  |
| B  | 09/29/1993 - 03/30/1998 | W. S. GRIFFITH & CO., INC.          | CRD# 10410  | HARTFORD, CT    |

### EMPLOYMENT HISTORY

Below is the representative's employment history for up to the last 10 years.

| Employment Dates  | Employer Name                      | Position                          | Investment Related | Employer Location            |
|-------------------|------------------------------------|-----------------------------------|--------------------|------------------------------|
| 02/2023 - Present | VIRTUE CAPITAL MANAGEMENT, LLC     | INVESTMENT ADVISER REPRESENTATIVE | Y                  | BRENTWOOD, TN, United States |
| 01/2000 - Present | ESTATE & FINANCIAL STRATEGIES, INC | PRESIDENT                         | N                  | FRANKLIN, TN, United States  |

### OTHER BUSINESS ACTIVITIES

This section includes information, if any, as provided by the representative regarding other business activities the representative is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious, or fraternal and is recognized as tax exempt.

(1) INSURANCE SALES; ESTATE PLANNING; HENRY PARROTT IS THE HOST OF THE RETIREMENT REPORT (TELEVISION SHOW ON NEWS CHANNEL 5+) and A RADIO SHOW, AND THE AUTHOR OF 7 STEPS TO FINANCIAL FREEDOM IN RETIREMENT.

(2) ESTATE & FINANCIAL STRATEGIES, INC., Title: PRESIDENT, Description: LIFE AND HEALTH INSURANCE BROKERAGE/AGENT, Address: 750 OLD HICKORY BOULEVARD BUILDING 1-100 BRENTWOOD, TN 37027, Start Date: 4/1/1990, Hours/month: 40, Hours/month during trading hours: 40.



## Disclosure Summary

### Disclosure Information

**What you should know about reported disclosure events:**

**(1) Certain thresholds must be met before an event is reported to IARD, for example:**

- A law enforcement agency must file formal charges before an Investment Adviser Representative is required to report a particular criminal event.;
- A customer dispute must involve allegations that an Investment Adviser Representative engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.

**(2) Disclosure events in IAPD reports come from different sources:**

As mentioned in the "About IAPD" section on page 1 of this report, information contained in IAPD comes from Investment Adviser Representatives, firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the IAPD report. The different versions will be separated by a solid line with the reporting source labeled.

**(3) There are different statuses and dispositions for disclosure events:**

- A disclosure event may have a status of *pending*, *on appeal*, or *final*.
  - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
  - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
  - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
  - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
  - A "settled" matter generally represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
  - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

**(4) You may wish to contact the Investment Adviser Representatives to obtain further information regarding any of the disclosure events contained in this IAPD report.**



## DISCLOSURE EVENT DETAILS

When evaluating this information, please keep in mind that some items may involve pending actions or allegations that may be contested and have not been resolved or proven. The event may, in the end, be withdrawn, dismissed, resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to the Investment Adviser Registration Depository. Some of the specific data fields contained in the report may be blank if the information was not provided.

The following types of events are disclosed about this representative:

| Type             | Count |
|------------------|-------|
| Regulatory Event | 1     |

### Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative's authority to act as an attorney, accountant or federal contractor.

#### Disclosure 1 of 1

|                                                                                  |                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Reporting Source:</b>                                                         | Regulator                                                                                                                                                                                                                                                                       |
| <b>Regulatory Action Initiated By:</b>                                           | TENNESSEE SECURITIES DIVISION                                                                                                                                                                                                                                                   |
| <b>Sanction(s) Sought:</b>                                                       | Civil and Administrative Penalty(ies)/Fine(s)<br>Denial                                                                                                                                                                                                                         |
| <b>Date Initiated:</b>                                                           | 11/13/2020                                                                                                                                                                                                                                                                      |
| <b>Docket/Case Number:</b>                                                       | APD CASE NO. 12.06-223065J                                                                                                                                                                                                                                                      |
| <b>URL for Regulatory Action:</b>                                                | <a href="https://www.tn.gov/content/dam/tn/commerce/documents/securities/initialorders/Estate%20Financial%20_%20Henry%20Lee%20Parrott.pdf">https://www.tn.gov/content/dam/tn/commerce/documents/securities/initialorders/Estate%20Financial%20_%20Henry%20Lee%20Parrott.pdf</a> |
| <b>Employing firm when activity occurred which led to the regulatory action:</b> | ESTATE & FINANCIAL STRATEGIES, INC. (CRD# 129965)                                                                                                                                                                                                                               |
| <b>Product Type:</b>                                                             | No Product                                                                                                                                                                                                                                                                      |
| <b>Allegations:</b>                                                              | THE RESPONDENTS FILED INACCURATE BALANCE SHEETS, FAILED TO MAINTAIN CLIENT AGREEMENTS FOR FORTY-NINE (49) CLIENTS, AND FAILED TO INCLUDE DISCRETIONARY AUTHORITY AUTHORIZATION IN ITS CLIENT AGREEMENTS.                                                                        |
| <b>Current Status:</b>                                                           | Final                                                                                                                                                                                                                                                                           |
| <b>Resolution:</b>                                                               | Order                                                                                                                                                                                                                                                                           |



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?**

No

**Resolution Date:**

01/27/2023

**Sanctions Ordered:**

Civil and Administrative Penalty(ies)/Fine(s)

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:**

Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:**

\$30,000.00

**Portion Levied against individual:**

\$30,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:**

**Was any portion of penalty waived?**

No

**Amount Waived:**

.....

**Reporting Source:**

Individual

**Regulatory Action Initiated By:**

State of Tennessee

**Sanction(s) Sought:**

Civil and Administrative Penalty(ies)/Fine(s)

**Date Initiated:**

07/25/2022

**Docket/Case Number:**

12.06-223065J

**Employing firm when activity occurred which led to the regulatory action:**

ESTATE & FINANCIAL STRATEGIES, INC.

**Product Type:**

No Product

**Allegations:**

On November 13, 2020 the Tennessee Securities Division initiated a routine examination of ESTATE & FINANCIAL STRATEGIES, INC., and Henry Lee Parrott. This examination concluded on January 12, 2022 and an initial order was entered on January 27, 2023 which became final on February 13, 2023 with the following apparent findings relating to Items 14(D)(1)(a-b,d):

**1.APPARENT FINDINGS**

As a result of a routine books and records examination, it was discovered that the firm had an inadvertent error on its balance sheets from 12/2018 to 12/2020.

**RESPONSE AND REMEDY**

During a routine examination, it was discovered that the firm had an inadvertent entry on its balance sheets, which was promptly remedied upon discovery. Balance sheets are kept only for internal record keeping purposes and the balance sheets are not used as part of client presentations.



## 2.APPARENT FINDINGS

Failure to maintain client agreements for 49 clients, that amounted to less than 17% of clients.

## RESPONSE AND REMEDY

A small portion of client agreements could not be located during the exam. When discovered, clients were promptly made aware, and agreements were retained properly.

## 3.APPARENT FINDINGS

That the pre-2019 client agreement was insufficient, (regarding discretionary language).

## RESPONSE AND REMEDY

The apparent lack of additional discretionary language in a previous version of the client agreement is included in the custodian institutional client agreement. Both documents were provided to clients and clients were made aware of the discretionary authority. Upon discovery, the firm promptly updated the client agreement to include explicit discretionary language.

## EXAMINATION RESULTS

Examination findings indicate that all mistakes were inadvertent and resulted in no harm to clients. Clients were fully aware that the firm had discretionary authority and had given written authorization through ancillary documents required by the firm.

Pursuant to a routine books and record examination conducted by the Tennessee Securities Division, Estate & Financial Strategies was assessed a civil penalty of \$30,000 for these apparent deficiencies.

In Further clarification, the Administrative Court issued an Order, entered on January 27, 2023, that such deficiencies were inadvertent, unintentional, and were swiftly corrected by Estate & Financial Strategies upon discovery. No further action is required.

|                                                                                                                                                             |                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>Current Status:</b>                                                                                                                                      | Final                                         |
| <b>Resolution:</b>                                                                                                                                          | Order                                         |
| <b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b> | No                                            |
| <b>Resolution Date:</b>                                                                                                                                     | 02/13/2023                                    |
| <b>Sanctions Ordered:</b>                                                                                                                                   | Civil and Administrative Penalty(ies)/Fine(s) |
| <b>Monetary Sanction 1 of 1</b>                                                                                                                             |                                               |
| <b>Monetary Related Sanction:</b>                                                                                                                           | Civil and Administrative Penalty(ies)/Fine(s) |
| <b>Total Amount:</b>                                                                                                                                        | \$30,000.00                                   |
| <b>Portion Levied against individual:</b>                                                                                                                   | \$30,000.00                                   |
| <b>Payment Plan:</b>                                                                                                                                        | N/A                                           |
| <b>Is Payment Plan Current:</b>                                                                                                                             |                                               |
| <b>Date Paid by individual:</b>                                                                                                                             | 02/17/2023                                    |



**Was any portion of penalty waived?**      No

**Amount Waived:**



## End of Report

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