

## >>>FAIRVIEW FLASH REPORT <<<

### Registered Investment Adviser Fined \$200,000 for False Advertising

<b>WHAT HAPPENED?</b>	BTS Asset Management Inc. (“BTS”), a registered investment adviser based in Lexington, MA, agreed to pay \$200,000 to settle charges related to advertisements for their high yield bond fund program. From the 1990s through 2010, BTS claimed their fund program had no “down years” since 1981 based on the performance of a model. In 2005, BTS became aware that, unlike the model results, almost half of their clients experienced a down year in 2004 making the advertisements misleading.
<b>TERMS OF SETTLEMENT</b>	In addition to paying the financial penalty, BTS agreed to retain the services of an independent compliance consultant to conduct a review of their compliance policies and procedures related to advertisements.