

Leader & Bulso, PLC

Attorneys at Law

EUGENE N. BULSO, JR.
Direct Dial: 615-780-4110
Direct Fax: 615-780-4118
gbulso@leaderbulso.com

September 23, 2020

VIA ELECTRONIC MAIL

Brain M. Basinger, Esq.
Senior Counsel, Division of Enforcement
Atlanta Regional Office
U.S. Securities and Exchange Commission
950 East Paces Ferry Road, N.E., Suite 900
Atlanta, Georgia 30326
basingerb@sec.gov

Re: In the Matter of CapWealth Advisors, LLC (A-3907)

Dear Brian:

As you requested, we are providing this response to the proposal you outlined over the telephone during our conference call on Thursday, September 18, 2020. Specifically, you indicated that the SEC Staff would recommend approval of the following offer of settlement, should CapWealth Advisors, LLC make such an offer:

- The SEC Division of Enforcement would close its investigation against the individual advisors, Timothy J. Pagliara and Timothy R. Murphy, and would not pursue any individual actions against them.
- The entity, CapWealth Advisors, LLC ("CapWealth"), would enter into a settlement of the charges contained in the Formal Investigative Order.
- The SEC would close its investigation, or otherwise dismiss, any charges under Section 206(1) of the Investment Adviser's Act of 1940.
- CapWealth would settle the charges brought against it under Sections 206(2) and (4) and Rule 206-7 thereunder.
- CapWealth neither would admit nor deny the charges but would agree to a censure and a Cease & Desist Order.

- CapWealth would disgorge \$451,829.41 in 12b-1 fees collected during the period May 15, 2015 through June 30, 2018.
- CapWealth would undertake to set up an administrative process to distribute such amount to the clients who paid such fees, together with pre-judgment interest in an amount to be determined.
- CapWealth would provide to each such client a copy of the Cease & Desist Order, and any other Order, that formed part of the settlement of the charges.
- CapWealth would pay a penalty to the SEC in the amount of \$200,000.

Having discussed this matter with our clients, we are authorized to respond that CapWealth Advisors, LLC, Timothy J. Pagliara and Timothy R. Murphy have no interest in making such an offer. For the reasons we have addressed with you at length in our Wells submissions and other statements, these parties have violated no securities laws and have done nothing wrong.

We renew our request that the SEC Staff close its investigation into these matters and provide notice to us that it has done so. If, however, you proceed with submitting this matter to the Commission, we respectfully request that this letter be included, along with our Wells Submission and Supplemental Wells Submission, in the materials you present to the Commission. Indeed, we find it important that the Commission understand that you have offered to close the matter against the two individuals in exchange for a settlement with the entity.

Very truly yours,

LEADER & BULSO, PLC



Eugene N. Bulso, Jr.

cc: Bradley J. Bondi