

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
SECURITIES AND CHARITIES DIVISION**

IN THE MATTER OF:

**Danny Chancellor, individually and
as Malachi Financial, LLC**

Respondent

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**Administrative Proceeding
Number: S-11-0259**

CONSENT AGREEMENT

I.

The Securities and Charities Division of the Mississippi Secretary of State's Office ("Division"), having the authority to administer and to provide for the enforcement of all provisions of the Mississippi Securities Act ("Act"), and Respondent do hereby enter into this Consent Agreement in resolution of the following allegations by the Division of violations of certain provisions of the Act:

1. Respondent is a registered representative of Cambridge Investment Research, Inc.;
2. Respondent is an "agent" as defined in Section 75-71-102(2) of the Act;
3. Respondent violated Rule 521(B) of the Act Rules when he allowed a subordinate to forge a client's signature on a policy delivery receipt;
4. Respondent violated Section Rule 521(B)(6) of the Act Rules when, because of his failure to effectively communicate with the client, he executed a transaction without the client understanding the consequence of the transaction;
5. Respondent violated Section 75-71-501(2) of the Act when he, as the manager of Malachi Financial, LLC, did not properly monitor the statements that Malachi Financial made through its

business website, which included misstatements of material fact regarding the Malachi Financial relationship to Cambridge Investment Research, Inc., an independent broker-dealer.

II.

Respondent, under the terms of this Consent Agreement and solely for the purpose of resolving the foregoing allegations, stipulates without a hearing to the matters set forth above in Paragraph I. Respondent consents to the issuance of this Consent Agreement and further consents to and agrees to the undertakings contained herein with no formal administrative hearing and determination of wrongdoing. Furthermore, the undersigned agent for Respondent acknowledges that he has been lawfully vested with the authority to enter into this Consent Agreement on behalf of Respondent.

III.

THEREFORE, in consideration of a final resolution of the matters set forth herein, the Division and Respondent hereby agree and stipulate as follows:

1. Respondent stipulates to the jurisdiction of the Division as to all matters contained herein under the authority of the Act and acknowledges that the issuance of this Consent Agreement is solely for the purpose of resolving the matters set forth herein.
2. The Division shall impose a penalty upon the Respondent in the amount of Twelve Thousand Five Hundred Dollars (\$12,500.00). Respondent shall remit payment to the Division, payable to the "Mississippi Secretary of State" upon execution of this Agreement.
3. Respondent will be suspended from his position as supervisor and principal of Cambridge Investment Research, Inc., dba Malachi Financial, LLC, and will refrain from holding a position of supervisor and/or principal with any other broker-dealer or investment advisor for a period of one (1) year from the date on which he signs this Consent Agreement.

4. Respondent may resubmit to the FINRA Series 24 General Securities Principal Examination within twelve (12) months after the end of his one (1) year suspension listed above.
5. Respondent will remain under heightened supervision for two (2) years from the date on which he signs this Consent Agreement.
6. This Consent Agreement is in resolution of the matters contained herein. As a result of this Consent Agreement, the matters contained herein cannot be used as a basis for action by the Division except in determining any penalty as may be imposed by the Division for any future violations of the Act committed by the Respondent and as set forth below.
7. Respondent agrees that he will comply with the provisions of the Act and Rules as currently in effect or as may be subsequently amended.

IV.

In the event Respondent fails or neglects to comply with any of the terms, stipulations or undertakings set forth in this Consent Agreement, the Division may, without notice to Respondent, unilaterally rescind this Agreement and institute any legal or administrative proceedings it deems appropriate including, but not limited to, proceedings to address the matters set forth herein.

C. DELBERT HOSEMANN, JR.
Secretary of State

By: _____


JEFFREY L. LEE
Senior Attorney
Securities and Charities Division

Date: _____

9-18-12

Danny Chancellor

By: 
Sign Name
Print Name: Danny Chancellor
Date: 9/18/12