

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
BUSINESS REGULATION AND ENFORCEMENT DIVISION**

In The Matter Of:)	
)	
)	
FRANK F. CAMP and WISDOM, INC.)	Administrative Proceeding Number: S-06-0007
)	
)	
RESPONDENTS)	

**SUMMARY CEASE AND DESIST ORDER AND
NOTICE OF INTENT TO IMPOSE ADMINISTRATIVE PENALTY**

The SECRETARY OF STATE OF MISSISSIPPI, Business Regulation and Enforcement Division (hereinafter “Division”), hereby issues this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty to FRANK F. CAMP (hereinafter “Camp”) and WISDOM, INC. (hereinafter “WI”) and in support hereof, states the following.

I. JURISDICTION

To ensure the protection of the public, the Mississippi Legislature mandates that persons dealing in securities follow explicit legal requirements. The Business Regulation and Enforcement Division of the Office of the Secretary of State (hereinafter “Division”) is charged with the responsibility of administering and regulating securities under the Mississippi Securities Act, codified at Miss. Code Ann. §§75-71-101, *et. seq.* (hereinafter “Act”), which governs persons who operate in the securities industry. Upon due consideration of the subject matter hereof, and having confirmed (1) the giving of investment advice by unregistered persons, (2) the use of misleading information in the

transaction of business as an investment adviser/investment adviser representative, and (3) the omission of material information in the transaction of business as an investment adviser/investment adviser representative the Division has determined the following.

II. FINDINGS OF FACT

The Division has reason to believe that Respondents, Camp and WI, have violated the Mississippi Securities Act and that these violations warrant the issuance of this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty.

A. Frank Camp can be served with this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty at 280 S. Thomas Street, Suite 205, Tupelo, Mississippi 38801.

B. Camp is the President and Founder of Wisdom, Inc.

C. Wisdom, Inc. can be served with this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty by service on its President, Frank Camp at 280 S. Thomas Street, Suite 205, Tupelo, Mississippi 38801.

D. Camp is neither a federally covered, nor a state registered investment adviser or investment adviser representative.

E. WI is neither a federally covered, nor a state registered investment adviser.

F. Camp has not taken and passed any of the examinations which qualify securities professionals to offer investment advice or sell securities.

G. Based on consumer complaints, the Division initiated an investigation into the conduct of Camp and WI.

H. During the course of that investigation, the following violations of the Mississippi Securities Act (hereinafter “Act”) and the Mississippi Securities Act Rules (hereinafter “Rules”) were discovered:

1. Camp, while engaged in selling Equity Indexed Annuities (hereinafter “EIA”) through his corporation, Wisdom, Inc., is providing investment advice to Mississippians. Camp is doing so by evaluating the investment portfolios of prospective clients. He then provides the prospective clients with written recommendations, on Wisdom, Inc. stationary, to liquidate their portfolios to finance the purchase of the EIAs he sells.

Camp is not licensed and registered as an investment adviser or investment adviser representative.

2. Camp is using misleading credentials in his sales presentations.

a. Camp has provided a publication titled Alligator Proofing Your Estate to prospective customers. In the preface to the book, Camp is referred to as a “financial and estate planning attorney.” Camp is not licensed to practice law in the State of Mississippi.

b. On the cover of the book, Camp is referred to as a “Certified Elder Planning Specialist.”

b. This same book (page 17) states as follows:

*As the President and Founder of Wisdom Incorporated in Tupelo, MS I have been **providing a variety of Financial Services** for the residents of Mississippi and Tennessee for over 16 years.*

*I am a **Certified Elder Planning Specialist** who works with both individuals and families in the area of*

retirement & estate planning. My primary focus is always to enhance and ultimately, preserve both my client's wealth and their estate within each individual situation.

*With over 16 years experience, knowledge and dedication to serving the needs of seniors, I am an ideal advisor for those seeking solid counseling and **total financial planning**. I utilize the latest investment techniques to design and implement personalized plans that will reduce financial risk, lower taxes, avoid probate and protect assets from expensive nursing home costs (emphasis added).*

c. At seminars, prospective clients are furnished a form to use in order to request a private appointment with Camp.

This form requests that the prospective clients furnish certain documents. "Investments statements" are listed first in the list of requested documents.

d. Camp's business cards include the designation "Retirement Specialist."

3. Camp has omitted certain material information in the sales presentation to prospective clients. Customers have alleged that annuity applications and policies furnished to them by Camp differ from those furnished to them by Allianz. Certain pre-purchase disclosure information was not included in the version furnished to clients by Camp.

II. APPLICABLE STATUTORY PROVISIONS

The previous paragraphs are incorporated by reference herein.

A. Definition of Investment Adviser.

An investment advisor is defined in the Securities Act and the Securities Act Rules.

1. Miss. Code Ann. §75-71-105(g) defines an investment adviser as follows:

. . . any person who, for compensation, engages in the business of **advising others**, either directly or through publications or writings, as to the value of securities or as to **the advisability of investing** in, purchasing or **selling securities** or who, **for compensation** and as a part of a regular business, issues or promulgates analyses or reports concerning securities.

2. Mississippi Securities Act Rule 601 provides as follows:

In order to provide uniform interpretation of the application of federal and state adviser laws to financial planners and other persons, the Division hereby expressly adopts S.E.C. Release No. IA-1092 (17 C.F.R. 276.1092), as it relates to the definition of Investment Adviser set forth in Section 75-71-105(g) of the Act.

3. S.E.C. Release No. IA-1092 (17 C.F.R. 276.1092) updates the Investment Advisers Act Release No. 770 which interprets the applicability of the Investment Advisers Act of 1940 to financial planners and other persons who provide investment advice as a component of other financial services.

Section 202(a)(11) of the Advisers Act defines the term “Investment adviser” to mean:

* * *

any person who, **for compensation, engages in the business of advising others**, either directly or through publications or writings, as to the value of securities or **as to the advisability of investing in, purchasing, or selling securities**, or who, for compensation and as part of a regular business, **issues or promulgates analyses or reports concerning securities**

* * *

B. Registration of Investment Advisers.

1. Miss. Code Ann. § 75-71-119(f) provides as follows:

Sections 75-71-117 and 75-71-303, as well as Section 75-71-503, so far as investment advisers and investment adviser representatives are concerned, apply when any act instrumental in effecting prohibited conduct is done in this state, whether or not either party is then present in this state.

2. The Mississippi Securities Act requires persons acting as investment advisers and investment adviser representatives to register with the Division. Miss. Code Ann. § 75-71-303(a) provides as follows:

It is unlawful for any person to transact business in this state as an investment adviser or as an investment adviser representative unless (1) he is so registered under this chapter; or (2) he is registered as a broker-dealer or an agent of a broker-dealer.

C. Fraudulent and other prohibited practices.

1. Miss. Code Ann. §75-71-503(a) provides in pertinent part:

It is unlawful for any person who receives, directly or indirectly, any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale:

(1) To employ any device, scheme, or artifice to defraud the other person;

(2) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person; or

* * *

2. Mississippi Securities Act Rule 623 governs the standards of conduct for investment advisers and investment adviser representatives. It provides in pertinent part:

Investment advisers, federal covered advisers and investment adviser representatives are fiduciaries and have a duty to act primarily for the benefit of their clients. While the extent and nature of this duty varies according to the nature of the relationship between an investment adviser or a representative and his clients and the circumstances of each case, an investment adviser, a federal covered adviser, or an investment adviser representative shall not engage in fraudulent, deceitful, unethical or dishonest business practices, including, but not limited to, the following:

* * *

J. Misrepresenting to any advisory client or prospective advisory client the qualifications of the investment adviser or any employee of the investment adviser; misrepresenting the nature of the advisory services being offered or fees to be

charged for such service; or omitting to state a material fact necessary to make the statements made regarding qualifications, services, or fees, in light of the circumstances under which they are made, not misleading.

* * *

W. Engaging in any act, practice, or course of business which is fraudulent, deceptive, or manipulative in contravention of Section 206(4) of the Investment Advisers Act of 1940, notwithstanding the fact that such investment adviser is not registered or required to be registered under Section 203 of the Investment Advisers Act of 1940.

IV. CONCLUSIONS OF LAW

The preceding paragraphs are incorporated herein by reference.

A. The Secretary of State has jurisdiction over this matter pursuant to Miss. Code Ann. §75-71-107(a) of the Mississippi Securities Act.

B. In order to hold oneself out as an investment adviser, one must successfully complete the requisite industry tests. However, Camp has not taken and passed any of the industry required tests necessary to offer investment advice or sell securities. These tests are required in order to register as an investment adviser and/or investment adviser representative. Camp violated the Miss. Code Ann. 75-71-303 by acting as an investment adviser and/or investment adviser representative while not registered.

C. In violation of Miss. Code Ann. § 75-71-503(a) and Mississippi Securities Act Rule 623 subsection (J) and (W), Camp misled and deceived his customers by certain designations in a misleading way in order to bolster his professional credentials.

D. In violation of Miss. Code Ann. § 75-71-503(a), Camp omitted certain material information in the sales presentation to prospective customers.

V. AMENDMENTS

The Division reserves the right to amend this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty to allege additional violations.

VI. PUBLIC NOTICE

This Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty is issued in the public interest and for the protection of investors consistent with the purpose of the Act.

VII. RIGHT TO AN ADMINISTRATIVE HEARING

An administrative hearing may be requested in this matter. Any such request shall be made in writing within thirty (30) days from the date of receipt of this Order. The request must be addressed to Patricia Melvin, Senior Attorney, Mississippi Secretary of State, Business Regulation and Enforcement Division, Post Office Box 136, Jackson, Mississippi 39205-0136.

If an administrative hearing is requested, written notice of the date, time and place will be given to all parties by certified mail, return receipt requested. Said notice will also designate a Hearing Officer. In the event such a hearing is requested, Respondents may appear, with or without the assistance of an attorney, at the date, time and place specified and cross-examine witnesses, present testimony, evidence and argument relating to the matters contained herein. Upon request, subpoenas may be issued for the attendance of witnesses and for the production of books and papers on the Respondents' behalf at the hearing relating to the matters contained herein. In the event such written notice is not received within said thirty (30) day period of time, a **FINAL CEASE AND**

DESIST ORDER AND ORDER IMPOSING ADMINISTRATIVE PENALTY may be entered in this proceeding with no further notice.

VIII. NOTICE OF INTENDED ACTION

Please note that the Secretary of State intends to take the following additional action:

A. Impose an administrative penalty of up to Twenty-five Thousand Dollars (\$25,000.00) for each violation of the Act.

B. The imposition of an administrative penalty shall become effective thirty (30) days after receipt of this Notice unless a written request for an administrative hearing is received by the Secretary of State before the expiration of said thirty (30) days.

IX. ORDER

IT IS THEREFORE ORDERED, pursuant to the authority set out in the Act, those Respondents, FRANK F. CAMP and WISDOM, INC., shall immediately **CEASE AND DESIST FROM FURTHER ILLEGAL ACTIVITY**.

BE ADVISED THAT, a willful violation of this Summary Cease and Desist Order may be punishable upon conviction by a fine of not more than Twenty-five Thousand Dollars (\$25,000) or five (5) years imprisonment, or both, in addition to civil and administrative remedies available to the Division.

ORDERED, this, the 24th day of July, 2007

ERIC CLARK
Secretary of State

BY: 
PATRICIA MELVIN
Senior Attorney
Business Regulation and Enforcement

CERTIFICATE OF SERVICE

I, Patricia Melvin, do hereby certify that I have, this day, mailed via Certified Mail, postage pre-paid, a true and correct copy of the Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty to the following:

Mr. Frank F. Camp
280 S. Thomas Street, Suite 205
Tupelo, Mississippi 38801

And

Mr. Frank F. Camp, President
Wisdom, Inc.
280 S. Thomas Street, Suite 205
Tupelo, Mississippi 38801

This, the 24th day of July, 2007.


PATRICIA MELVIN
Senior Attorney
Business Regulation and Enforcement

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