

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

IN THE MATTER OF:)	ADMINISTRATIVE PROCEEDING
)	NUMBER: 03-035
JAMES B. MOOREHEAD,)	
Respondent)	CONSENT ORDER
)	

Finding it appropriate and in the public interest, the Business Regulation and Enforcement Division of the Office of the Secretary of State of Mississippi (hereafter "Division"), on behalf of the Secretary of State, having the power to administer and to enforce the Mississippi Securities Act, Miss. Code Ann. §§75-71-101 to 75-71-735 (2000) (hereafter "Act"), and James B. Moorehead (hereafter "Respondent") do hereby enter into this Consent Order (hereafter "Order"). This Order settles all of the Division's allegations of violations of the Act by the Respondent as alleged in the Notice of Intent to Revoke Registration and Impose Administrative Penalty attached hereto as Exhibit A.

I. JURISDICTION

1. Respondent admits to the jurisdiction of the Division as to all matters herein under the authority of the Act.

II. FINDINGS OF FACT

Based on the Division's Notice of Intent to Revoke Registration and Impose Administrative Penalty the Hearing Officer hereby finds as follows:

2. Respondent violated Mississippi Securities Act Rule 523(A)(3) and NASD Rule 2310(b) by failing to obtain information from his clients.

3. Respondent violated Mississippi Securities Act Rule 523(A)(3) and NASD Rule 2310(a) by recommending and executing unsuitable transactions for his clients.

4. Respondent violated Mississippi Securities Act Rule 523(A)(16) by engaging in the deceptive practice of either misstating or directing his assistant to misstate material information on client account forms.
5. Respondent violated Mississippi Securities Act Rule 523(A)(5) by marking thirty-five (35) transactions as unsolicited when in fact all were solicited.
6. Respondent violated Mississippi Securities Act Rule 523(A)(16) by engaging in deceptive practices in order to effect transactions including, but not limited to, using misleading hypotheticals and withholding disclosure and risk information from clients.
7. Respondent violated Mississippi Securities Act Rule 523(A)(19) by using sales materials that were not approved by his employer's compliance department and which contained material false and misleading information.
8. Respondent violated Mississippi Securities Act Rule 523(A)(4) by making unauthorized transactions in client accounts.
9. Respondent violated Mississippi Securities Act Rule 523(A)(23) by violating one or more of the rules of a national securities association.
10. Respondent neither admits nor denies the findings of fact as specified herein.

III. REVOCATION AND FINE

11. The Hearing Officer hereby orders the broker-dealer agent and investment adviser representative registration for the Respondent (CRD Number 2165590) be revoked and said revocation will become effective upon execution of this order by the Hearing Officer. The Hearing Officer orders and Respondent agrees that he shall not attempt to register with the Division as either a broker-dealer, broker-dealer agent or investment adviser or investment

adviser representative for a period of ten (10) years commencing from the date this order is executed by the Hearing Officer.

12. The Hearing Officer hereby imposes and the Respondent agrees to the imposition and payment of an administrative fine in the amount of ten thousand dollars (\$10,000.00). Payment shall be made to the Secretary of State in certified funds contemporaneous with the execution of this Order by the Respondent.

IV. OTHER CONSIDERATIONS

13. As a result of this Order, the matters contained in Exhibit A cannot be used as a basis for any action by the Division except as set forth herein.

14. Respondent understands that he has the right to a hearing on this matter at which he may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived the right to such a hearing.

15. Respondent understands that the entry of this Order represents the settlement of regulatory claims by the Division against the Respondent only and does not, in any way, restrict or affect the rights or causes of action, if any, of any Mississippi residents who have sustained losses as a result of their investments with Respondent.

16. In the event Respondent fails to comply with any of the agreements, stipulations or undertakings set forth herein, Respondent shall thereby be deemed to be in violation of an Order made pursuant to the Act and shall also thereby knowingly and voluntarily: waive any right to notice and to an administrative hearing; waive any right to separately stated findings of fact and conclusions of law to which he may have otherwise had a right regarding the matters herein; and, a Final Cease and Desist Order, Order Revoking Registration and Order Imposing

Penalty will automatically become final and enforceable against Respondent with respect to such matters, and Respondent hereby waives any right to appeal said Final Order.

17. This Order concludes the investigation by the Division and settles all of the Division's allegations of violations of the Mississippi Securities Act by the Respondent as alleged in the Notice of Intent to Revoke Registration and Impose Administrative Penalty attached hereto as Exhibit A.

V. ACKNOWLEDGMENT

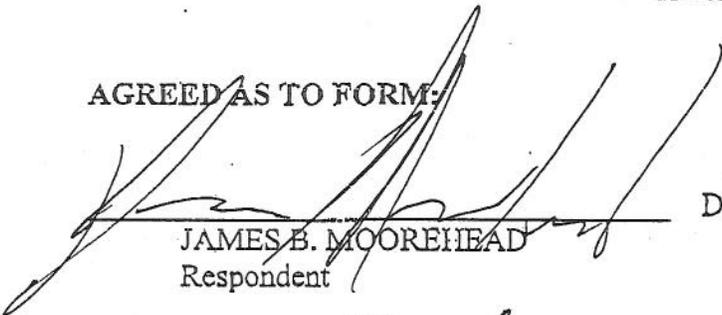
The Respondent hereby acknowledges that he has read this Order in its entirety and fully understands the rights, terms and obligations of each contained herein, provided that nothing ^{in section II} contained herein shall operate as an admission by Respondent.

The undersigned hereby acknowledge and agree to the terms and conditions of the forgoing Order by written consent.

Entered this the 6th day of May 2004.


Rick A. Fleming,
Hearing Officer

AGREED AS TO FORM:


JAMES B. MOOREHEAD
Respondent

DATE: 4-27-04


JAMES O. NELSON, II

DATE: 4/28/2004

~~3~~
4 gm