

BEFORE THE ARKANSAS SECURITIES COMMISSIONER  
CASE NO S-11-0398  
ORDER NO. S-11-0398-12-OR01

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ARKANSAS SECURITIES DEPT.

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IN THE MATTER OF:  
EKN FINANCIAL SERVICES, INC., CRD NO. 113525

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RESPONDENT

CONSENT ORDER

This Consent Order is entered pursuant to the Arkansas Securities Act, codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509 (“Act”), the Rules of the Arkansas Securities Commissioner (“Rules”) promulgated under the Act, and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201 through 25-15-219, in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and EKN Financial Services, Inc. (“EKN Financial”) in full and final settlement of all claims that could be brought against EKN Financial by the Staff on the basis of the facts set forth herein.

EKN Financial admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), waives its right to a formal hearing and appeal, and without admitting or denying the findings of facts made herein, consents to the entry of this order and agrees to abide by its terms in settlement of any possible violations committed by EKN Financial concerning the matters detailed in this order.

FINDINGS OF FACT

1. EKN Financial, CRD No. 113525, is a registered broker-dealer organized and operating under the laws of the State of Delaware. EKN Financial has been registered in Arkansas under the Act since December 6, 2001.

2. From January 1, 2009 until July 31, 2011, EKN Financial charged a handling fee of \$60.00 to Arkansas clients. EKN Financial reached the amount of \$60.00 by allocating a fractional share of EKN Financial's general business expenses and costs to EKN Financial clients. Prior to August 2011, neither EKN Financial's paperwork nor its website listed a detailed description or disclosure concerning the handling fee. In August 2011, EKN Financial's website was altered to include a full description and disclosure concerning the handling fee.

3. EKN Financial has fully cooperated with the Staff, during the Staff's investigation of this matter. In addition, EKN Financial has assured the Staff that it instituted significant disclosure changes to its website, client letters and documents that will ensure that the violations detailed in this order would not occur in the future.

#### APPLICABLE LAW

4. Ark. Code Ann. § 23-42-308(a)(2)(G) states that the Commissioner may by order suspend or revoke any registration if he finds that the registrant has engaged in dishonest or unethical practices in the securities business.

#### CONCLUSIONS OF LAW

5. The Commissioner has concluded that in violation of Ark. Code Ann. § 23-42-308(a)(2)(G), EKN Financial engaged in dishonest or unethical practices in the securities business when EKN Financial charged Arkansas residents an handling fee as detailed in paragraph two.

#### UNDERTAKINGS

In settlement of this matter, but without admitting or denying the findings of fact made above, within 30 days of the entry of this Consent Order EKN Financial agrees to pay \$2,000.00

to the Arkansas Securities Department and refund and return all handling fees collected from Arkansas clients, if any, less the actual out of pocket expense of \$3.50 per transaction, for the time period of January 1, 2009, through July 31, 2011.

OPINION

This order is in the public interest. The facts as set out in paragraph two support the violations of the Act as set out in paragraph five.

ORDER

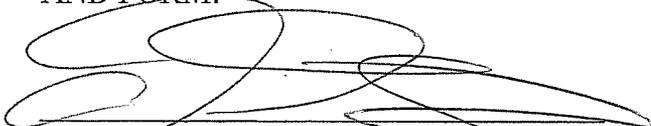
IT IS THEREFORE ORDERED that within 30 days of the entry of this order EKN Financial shall pay \$2,000.00 to the Arkansas Securities Department and provide proof to the Staff that EKN Financial has refunded and returned all handling fees, less the actual out of pocket expense of \$3.50 per transaction, to all Arkansas clients for the time period covered by this order. The proof of refund or return by EKN Financial must be in a form that is acceptable to the Staff.

WITNESS MY HAND AND SEAL on this 27<sup>th</sup> day of August, 2012.



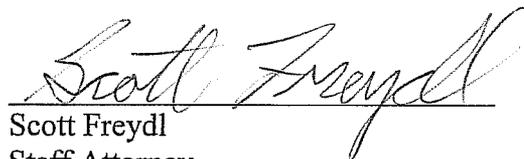
A. Heath Abshire  
Arkansas Securities Commissioner

APPROVED AS TO CONTENT  
AND FORM:



Thomas Michael Giugliano, Director  
EKN Financial Services, Inc.

APPROVED AS TO CONTENT  
AND FORM:



Scott Freydl  
Staff Attorney  
Arkansas Securities Department