

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-16-0018**

IN THE MATTER OF:

**CHASTAIN FINANCIAL, LLC
AND CARLA L. CHASTAIN**

RESPONDENTS

REQUEST FOR CEASE AND DESIST ORDER

The Staff of the Arkansas Securities Department (“Staff”) has received information and has in its possession certain evidence indicating that Chastain Financial, LLC and Carla L. Chastain have violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. §§ 23-42-101 through 23-42-509.

ADMINISTRATIVE AUTHORITY

1. This matter is brought in connection with violations of the Act and is therefore properly before the Arkansas Securities Commissioner (“Commissioner”) in accordance with Ark. Code Ann. § 23-42-209.

RESPONDENTS

2. Chastain Financial, LLC (“Chastain Financial”) is an Arkansas limited liability company with its principal place of business located at 5305 Village Parkway, Suite 10, Rogers, AR 72758. Chastain Financial has never been registered with the Arkansas Securities Department (“Department”) in any capacity pursuant to the Act and is not registered with the Securities and Exchange Commission as an investment adviser.

3. Carla L. Chastain (“Chastain”) is an Arkansas resident currently living in Rogers, Arkansas. Chastain is President and CEO of Chastain Financial and, according to records on file

with the Arkansas Secretary of State, Chastain serves as the registered agent of Chastain Financial. Chastain is not registered with the Department in any capacity pursuant to the Act.

FACTS SUPPORTING REQUEST FOR CEASE AND DESIST ORDER

4. Chastain has a disciplinary history with the Department regarding her past dealings as a broker-dealer agent and investment adviser representative. On or about May 25, 2005, Chastain agreed to a Consent Order with the Department revoking her registration as an investment adviser representative and suspending her registration as a broker-dealer agent. Chastain has not registered with the Department as an agent or representative since the May 25, 2005 Consent Order. Chastain, however, is registered with the Arkansas Insurance Department and is licensed to sell insurance products.

5. Chastain Financial is a registered insurance agency with the Arkansas Insurance Department. Although Chastain Financial is licensed to sell insurance products, it is not registered as an investment adviser or broker-dealer with the Department pursuant to the Act. Nevertheless, despite not being registered with the Department, the Chastain Financial website, located at www.chastainfinancial.com, contained the following statement at the bottom of each page of the site: "Securities offered through Comprehensive Asset Management and Servicing, Inc., Member FINRA/SIPC/MSRB, 2001 Rt. 46, Ste. 506, Parsippany, NJ 07054, 973-394-0404, Capital Portfolio Management, LLC is independent of Comprehensive Asset Management." Comprehensive Asset Management and Servicing, Inc. ("CAMS") is a broker dealer firm with its principal place of business in Parsippany, NJ. CAMS is registered with the Department pursuant to the Act. Capital Portfolio Management, LLC ("CPM") is an investment advisory firm with its principal place of business in Topeka, KS. CPM not registered with the Department and does not conduct business in the state of Arkansas. Although Chastain Financial advertised a licensed

affiliation with CPM and CAMS, the Staff's investigation found that Chastain Financial is not affiliated with CPM or CAMS in any capacity. The information obtained by the Staff showed that the licensing statement on Chastain Financial's website had been in place for more than three years. A screenshot of the aforementioned website licensing statement is attached hereto as Exhibit "A" and incorporated herein by reference for all purposes.

6. In addition to advertising on its website, Chastain Financial has solicited Arkansas residents by offering a free dinner seminar. In February 2016, Chastain Financial mailed invitations for a free dinner seminar in Rogers, Arkansas to potential clients that contained untrue and misleading statements. Included in the invitation was information pertaining to Chastain and Chastain Financial in which Chastain claims to be an investment adviser representative and states that she has "earned her IRA Distribution Specialist designation with the Ed Slott Institute." Upon investigation, the Staff discovered that there is no "Ed Slott Institute." There is however an Ed Slott and Company, LLC ("Ed Slott and Company"). According to its website located at www.ira-help.com, Ed Slott and Company is among "the nation's leading educators and purveyors of accurate, timely IRA expertise and analysis to financial advisors and consumers across the country." The website goes on to state that the goal of Ed Slott and Company is to "educate financial advisors on the complexities of IRAs so they are better equipped to navigate their clients through the tax and distribution planning necessary to achieve financial security." Upon contacting Ed Slott and Company, the Staff was informed that they do not offer any special or professional designations to any of its members. Ed Slott and Company does have a membership group, Ed Slott's elite IRA advisor group, which is made up of financial professionals who train with the company throughout the year. However, the Staff was informed by an Ed Slott and Company representative that there are no records indicating that Chastain has ever been a member of the

elite IRA advisor group. A copy of Chastain Financial’s dinner seminar solicitation is attached hereto as Exhibit “B” and incorporated herein by reference for all purposes.

APPLICABLE LAW

7. Ark. Code Ann. § 23-42-301(c) provides that it is unlawful for a person to transact business in this state as an investment adviser or investment adviser representative without first being registered as such pursuant to the Act.

8. Ark. Code Ann. § 23-42-301(a) provides that it is unlawful for a person to transact business in this state as a broker-dealer or agent unless he or she is registered as such pursuant to the Act.

9. Rule 102.01(45) of the Rules of the Arkansas Securities Commissioner defines “transact business” for purposes of Ark. Code Ann. § 23-42-301(a) and Ark. Code Ann. § 23-42-301(c) to mean representing a person or entity as being able to effect transactions in securities for the account of others or for his or her own account regardless of whether any transactions have actually been effected, or being able to serve as an investment adviser regardless of whether any investment advice or service has actually been rendered.

10. Ark. Code Ann. § 23-42-307(a)(3) provides that it is unlawful for any investment adviser or representative to make any untrue statement of material fact or omit to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading.

11. Ark. Code Ann. § 23-42-507(2) makes it unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.

CONCLUSIONS OF LAW

12. By advertising a licensed affiliation with CPM on its website, Chastain Financial “transacted business” as stated in Rule 102.01(45) of the Rules of the Arkansas Securities Commissioner and, therefore, acted as an unregistered investment adviser in violation of Ark. Code Ann. § 23-42-301(c).

13. By advertising a licensed affiliation with CAMS on its website, Chastain Financial “transacted business” as stated in Rule 102.01(45) of the Rules of the Arkansas Securities Commissioner and, therefore, acted as an unregistered broker-dealer in violation of Ark. Code Ann. § 23-42-301(a).

14. Chastain Financial committed securities fraud in connection with the offer, sale, or purchase of a security by advertising itself on its website as an investment adviser and broker-dealer with a licensed affiliation with CPM and CAMS. Chastain Financial is not registered as a broker-dealer or as an investment adviser, nor is it affiliated with CPM or CAMS in any capacity. Therefore, Chastain Financial committed securities fraud in the offer, sale, or purchase of a security in violation of Ark. Code Ann. § 23-42-307(a)(3) and Ark. Code Ann. § 23-42-507(2).

15. On both the Chastain Financial website and on the dinner seminar invitations, Chastain held herself out as a licensed agent of Chastain Financial. In doing so, Chastain “transacted business” as stated in Rule 102.01(45) of the Rules of the Arkansas Securities Commissioner and, therefore, acted as an unregistered agent of a broker-dealer in violation of Ark. Code Ann. § 23-42-301(a).

16. Chastain’s registration as an investment adviser representative was revoked by the Department in 2005, and has never been reinstated. Despite not being registered, Chastain continued to hold herself out as a licensed investment adviser representative on both the Chastain

Financial website and on the dinner seminar invitations. As such, Chastain “transacted business” as stated in Rule 102.01(45) of the Rules of the Arkansas Securities Commissioner and, therefore, acted as an unregistered investment adviser representative in violation of Ark. Code Ann. § 23-42-301(c).

17. Chastain committed fraud in connection with the offer, sale, or purchase of a security by holding herself out as an investment adviser representative who had earned an “IRA Distribution Specialist designation from the Ed Slott Institute.” Chastain never obtained such a designation, nor is she registered with the Department as an investment adviser representative. Therefore, Chastain has committed securities fraud in violation of Ark. Code Ann. § 23-42-307(a)(3) and Ark. Code Ann. §23-42-507(2).

LEGAL AUTHORITY TO ISSUE CEASE AND DESIST ORDER

18. Ark. Code Ann. § 23-42-209(a)(1)(A) provides that whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the Commissioner, that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Act, or any rule or order under the Act, the Commissioner may summarily order the person to cease and desist from the act or practice.

PRAYER FOR RELIEF

WHEFORE, the Staff respectfully requests that the Commissioner summarily order Chastain Financial, LLC and Carla L. Chastain to immediately cease and desist from acting as a broker-dealer firm or broker-dealer agent until such time that they are properly registered under the Arkansas Securities Act; that the Commissioner summarily order Chastain Financial, LLC and Carla L. Chastain to immediately cease and desist from acting as an investment adviser or investment adviser representative until such time that they are properly registered under the

Arkansas Securities Act; that the Commissioner summarily order Chastain Financial, LLC and Carla L. Chastain to immediately cease and desist from committing fraud or deceit in connection with the offer and sale of any securities to residents of the state of Arkansas; and, for any and all relief to which the Staff may be entitled.

Respectfully Submitted,



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Attorney for the Staff

Mrs. Chastain was awarded the Top of the Table ranking in the Million Dollar Round Table and has been published on Fox Business News. Also, she is the host of the Safe Money Talk Radio show.

To schedule a time to discuss your financial future contact us at safemoneytalk@cox.net or call us at 479-845-1060 today!

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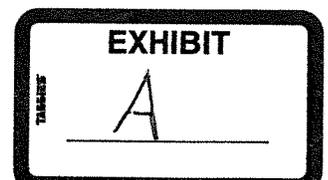


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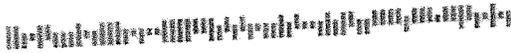
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CHASTAIN FINANCIAL

YOU ARE CORDIALLY INVITED TO A GOURMET DINNER AND INFORMATIVE WORKSHOP EVENT HOSTED BY LOCAL RETIREMENT SPECIALIST CARLA CHASTAIN.



Check us out on
KURM 790 AM
or KFAY 1030 AM



EXHIBIT
B

*Carla Chastain and her team
at Chastain Financial invite you to a*

February Workshop

dedicated to YOU and your financial future!

If you have questions or concerns regarding your current financial strategies and how they might affect your financial future, please bring them with you and join us for dinner and a roundtable discussion at Crabby's Seafood Bar & Grill.

Potential topics include:

- **Social Security:** What's changing, and how could it affect YOU?
- **Lifetime income:** Can an annuity help guarantee* a steady stream of money through retirement?
- **Risk:** Do YOU know how much risk you have?

**Product guarantees are backed by the financial strength and claims-paying ability of the issuing insurer.*



Seafood Bar & Grill

1800 S. 52nd St
Rogers, AR 72758

6 p.m. Feb. 18 - OR - 6 p.m. Feb. 23

**No intimidating PowerPoint slides or booklets —
just your professional team, your peers and a whiteboard.**

RSVP for your spot today by calling our office at 479.845.2120.



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We are an independent financial services firm helping individuals create retirement strategies using a variety of insurance products to custom suit their needs and objectives.

Carla Chastain is the President and CEO at Chastain Financial, LLC, and Host of the Chastain Financial Radio Show. She has 25 years experience in the insurance and annuity industry and holds a Bachelors degree from The University of Arkansas (in finance). She is a Certified Financial Planner™ and has earned her IRA Distribution Specialist designation with the Ed Slott institute, and is a fellow with the Wealth & Wisdom Institute.

Mrs. Chastain was awarded the Top of the Table ranking in the Million Dollar Round Table and has been published on Fox Business News.

Chastain Financial's mission is to solve problems by working together toward 4 basic goals: 1. increase your money supply, 2. create more and better benefits, 3. reduce the element of risk and future taxes, 4. achieve these goals without spending one more dime than you are already spending. Our specialty is IRA distribution strategies, wealth accumulation with growth & safety, and proven tax efficient growth and income strategies. Our primary focus is to secure America's financial future one family at a time.

Check us out! Visit www.chastainfinancial.com



CARLA CHASTAIN

Investment Adviser Representative