

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

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ARKANSAS SECURITIES DEPT.

CASE NO S-08-064
S-08-064-08-CO01

IN THE MATTER OF:

WALLSTREETE INVESTMENT ADVISORS

RESPONDENTS

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. §25-16-201 through §25-16-303 in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and Wallstreete Investment Advisors (“Wallstreete”) in full and final settlement of all claims that could be brought against Wallstreete by the Staff on the basis of the facts set forth herein.

Wallstreete admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), waives its right to a formal hearing 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.

FINDINGS OF FACT

Count I – Providing Investment Advisory Services Prior to Being Registered

1. On or about July 3, 2008, Wallstreete made electronic application for registration with the Department as an investment adviser. As part of this registration

application the Department received a \$300.00 fee from Wallstreete. Since Wallstreete failed to properly complete and provide the Department with all of the necessary registration paperwork, Wallstreete's Arkansas registration status was listed as pending on the IARD system at the time that all of acts detailed below occurred.

2. In violation of Ark. Code Ann. §23-42-301(c) on or about May 9, 2008, Marlin R. Evans ("Evans"), a representative of Wallstreete, signed an Investment Advisory Agreement with AR1 an Arkansas resident. Further, on June 1, 2008, a management fee of \$354.05 was charged to AR1's account. An electronic commission report dated August 26, 2008, indicates that Evans received a seventy-five percent (75%) share, or \$265.54, and Wallstreete received a twenty-five percent (25%) share, or \$88.51, of said management fee paid by said client of Evans. At the time said management contract was signed and said management fee was paid Wallstreete was not registered as an investment adviser with the Department.

3. In violation of Ark. Code Ann. §23-42-301(c) on or about June 8, 2008, Evans, a representative of Wallstreete, signed an Investment Advisory Agreement with AR2 an Arkansas resident. Further, on July 1, 2008, a management fee of \$528.64 was charged to AR2's account. An electronic commission report dated August 26, 2008, indicates that Evans received a seventy-five percent (75%) share, or \$596.48, and Wallstreete received a twenty-five percent (25%) share, or \$132.16, of said management fee paid by said client of Evans. At the time said management contract was signed and said management fee was paid Wallstreete was not registered as an investment adviser with the Department.

4. In violation of Ark. Code Ann. §23-42-301(c) on or about June 24, 2008, Evans signed an Investment Advisory Agreement with LA1, Louisiana residents. At the time said management contract was signed Wallstreete was not registered as an investment adviser with the Department.

APPLICABLE LAW

5. Ark. Code Ann. §23-42-301(c) states that it is unlawful for any person to transact business in this state as an investment advisor or representative without first being registered under this chapter.

6. Ark. Code Ann. §23-42-308(g) provides that upon notice and opportunity for hearing, the commissioner may fine any investment adviser, or representative up to a maximum of five thousand dollars (\$5,000) for each separate violation of this chapter.

CONCLUSIONS OF LAW

7. The investment contracts and management fees were signed and paid to Evans and Wallstreete as detailed in paragraphs ¶¶ 1-4 in violation of Ark. Code Ann. §23-42-301(c).

UNDERTAKING

In settlement of this matter, but without admitting or denying the findings of fact made above, Wallstreete agrees to pay a fine in the amount of \$1,000.00. In addition, Wallstreete will immediately return the entire management fee detailed in ¶¶ 2-3 to the

people listed in ¶¶ 2-3. Finally, Wallstreete will supply proof to the Department of the return of the aforementioned management fees.

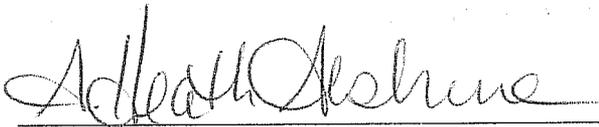
OPINION

This order is in the public interest. The facts as set out in ¶¶ 1-4 support the violations of the Act as set out in ¶ 7.

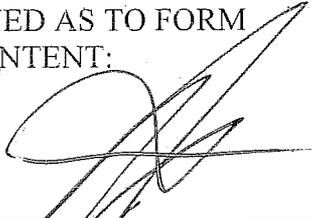
ORDER

IT IS THEREFORE ORDERED that Wallstreete pay a fine in the amount of \$1,000.00. In addition, Wallstreete is ordered to immediately return the entire management fee detailed in ¶¶ 2-3 to the people listed in ¶¶ 2-3. Finally, Wallstreete is ordered to supply proof to the Department of the return of the aforementioned management fees.

WITNESS MY HAND AND SEAL on this ^{25th} 0 day of October, 2008.

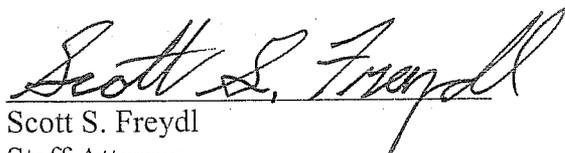

A. Heath Abshire
ARKANSAS SECURITIES COMMISSIONER

APPROVED AS TO FORM
AND CONTENT:



Carlos Francisco Otalvaro
Principal and CEO

APPROVED AS TO FORM
AND CONTENT:



Scott S. Freydl
Staff Attorney