

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

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ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:
AFR BROKERAGE LLC AND
ANTRON F. RAMEY**

**CASE NO. S-18-0038
ORDER NO. S-18-0038-18-OR01**

CEASE AND DESIST ORDER

On March 28, 2018, the Staff of the Arkansas Securities Department (“Staff”) filed its Request for a Cease and Desist Order (“Request”), stating that it has information and certain evidence that indicates AFR Brokerage, LLC (“AFR”) and Antron F. Ramey (“Ramey”) have violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. § 23-42-101 through § 23-42-509, and the Rules of the Arkansas Securities Commissioner (“Rules”). The Arkansas Securities Commissioner (“Commissioner”) has reviewed the Request, and based upon representations made therein, finds that:

FINDINGS OF FACT

The Staff’s Request asserts the following representations of fact:

1. AFR is a corporation organized and operating under the laws of the State of Arkansas. AFR has its principle place of business at 274 Dry Run Circle, Batesville, AR 72501. AFR is not registered with the Arkansas Securities Department (“Department”) in any capacity.
2. Ramey is a resident of Batesville, Arkansas. Ramey is the president, founder and a managing member of AFR. Ramey is not registered with the Department in any capacity.
3. Ramey maintains a website for AFR with the web address of afrbrokeragelc.com. Copies of relevant pages from AFR’s website are attached to the Staff’s Request as Exhibit 1.

On the “Team Members” page of this website, Ramey holds himself out to the public as the founder and CEO of AFR. In addition, on page four of a Stock Broker Agreement, which is attached to the Staff’s Request as Exhibit 2, Ramey is listed as president and founder of AFR. Nowhere in Exhibit 2 does it state that neither AFR nor Ramey are registered in any capacity with the Department. Also, on AFR’s website it includes a page for “Bloomberg” market news. On this page of AFR’s website, it provides links to Bloomberg news articles, such as “Stocks to Buy 3/27/18” and “Dow Jones Futures 3/26/18”.

4. Since at least September 2017 to the present time, AFR and Ramey have offered to sell shares of stock, bonds and other securities to Arkansas residents. Again, on the “Team Members” page of AFR’s website, which is attached to the Staff’s Request as Exhibit 1, it lists Sarah Ann as a stock broker/analyst. Further, on the “Services” page of AFR’s website, which is attached to the Staff’s Request as Exhibit 1, AFR offers services to Arkansas residents concerning stock options, setting up new IRAs, portfolio management and bonds.

5. AFR and Ramey had at least five Arkansas residents sign copies of Stock Broker Agreements. Ramey is referred to as a Stock Broker on all five of the agreements entered into with these Arkansas residents. On page one, paragraph 2(a), of the Stock Broker Agreement, it states, “He has read and understood the risks involved in trading on a stock exchange.” Also, on page, one paragraph 5, of the Stock Broker Agreement, it states, “The Stock Broker agrees that the money/securities deposited by the Client shall be kept in a separate account, distinct from his/its own account or account of any other Client...” Further, on page two, paragraph 11, of the Stock Broker Agreement, it states, “The Stock Broker shall ensure due protection to the Client regarding Client’s rights to dividends, rights or bonus shares, etc. in respect of transactions

routed through it and it shall not do anything which is likely to harm the interest of the Client with whom and for whom it may have had transactions in securities.”

6. AFR and Ramey omitted and failed to state or disclose on any of the Stock Broker Agreements provided to the five Arkansas residents that neither AFR nor Ramey were properly registered in any capacity with the Department. In fact, no person associated with AFR is properly registered with the Department in any capacity.

7. Ramey made and posted a promotional video for AFR on Facebook. During this video, at least twice Ramey mentions that he and AFR trade stocks for clients. Also, Ramey states he and AFR offer rates or commissions at 20%, which Ramey falsely claims is lower than any other broker-dealers. Further, in this video Ramey makes an offer to the first ten people who invest \$400 with him and AFR, guaranteeing these ten people would make \$5,000 within four weeks of investing the \$400 through him and AFR. While Ramey did not specify what the ten people would invest in, Ramey did say it would not be invested in crypto-currency. Ramey omitted to state how he could guarantee a return of \$5,000 within four weeks. In addition, Ramey omitted to state any risks associated with this \$400 investment. Finally during this video, Ramey increased his offer for the first five people investing \$1,000 with him and AFR. Ramey said that he would personally sit down with each of these five people and trade stocks with them in order to teach the five people how to make money. Again Ramey omitted to state what these five people were to invest in, or any risks associated with this \$1,000 investment through Ramey and AFR.

8. In addition to the misstatements of material information contained in the Stock Broker Agreement and video detailed above, on page four of the Stock Broker Agreement, it lists “Travis J. Morrissey, Attorney at Law,” and “Wells and Wells, Attorneys at Law”. Both

Morrissey and an attorney with Wells and Wells have told the Staff that they have never represented or been associated with AFR or Ramey. Further, neither attorney authorized AFR or Ramey to put their names on any document. AFR and Ramey clearly included these attorneys' names on Exhibit 1 in a fraudulent attempt to create some legitimacy or credibility for AFR and Ramey with potential investors.

CONCLUSIONS OF LAW

9. Stocks are securities as defined by Ark. Code Ann. § 23-42-102(17)(A)(ii).

10. Ark. Code Ann. § 23-42-301(a) states that it is unlawful for a person to transact business in this state as a broker-dealer or an agent unless he or she is registered under this chapter. AFR and Ramey violated Ark. Code Ann. § 23-42-301(a), by transacting business as a broker-dealer or agent without being registered, as detailed in paragraphs one through five.

11. AFR and Ramey violated Ark. Code Ann. § 23-42-507(2), when it and he omitted to state or made misstatements about material information in the Stock Broker Agreement and in the promotional video, as detailed in paragraphs six and seven.

12. AFR and Ramey violated Ark. Code Ann. § 23-42-507(3), when it and he listed an attorney and a law firm on the Stock Broker Agreements, which were provided to five Arkansas investors, as detailed in paragraph eight.

13. Pursuant to Ark. Code Ann. § 23-42-209, 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. The conduct, acts, and practices of AFR and Ramey threaten immediate and irreparable public harm. Based on the Findings of Fact and Conclusions

of Law, this Cease and Order is in the public interest and is appropriate pursuant to Ark. Code Ann. § 23-42-209.

ORDER

IT IS THEREFORE ORDERED that AFR and Ramey immediately CEASE AND DESIST from offering and/or selling securities in Arkansas until it and he are properly registered under the Act and Rules with the Department. In addition, AFR and Ramey shall immediately CEASE AND DESIST from offering and/or selling securities through the use of fraud, misstatements and omitted information.

A hearing on this Order shall be held if requested by AFR and/or Ramey in writing within thirty (30) days of the date of the entry of this Order, or if otherwise ordered by the Commissioner. Such request should be addressed to the Commissioner and submitted to the following address:

Arkansas Securities Commissioner
201 East Markham, Suite 300
Little Rock, Arkansas 72201

If no hearing is requested and none is ordered by the Commissioner, this Order will remain in effect until it is modified or vacated by the Commissioner. *See* Ark. Code Ann. § 23-42-209(a)(2).



B. Edmond Waters
Arkansas Securities Commissioner

3-28-2018

Date