

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER  
CASE NO. S-13-0142**

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ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:**

**EL HADJI SAM GUEYE**

**RESPONDENT**

**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 El Hadji Sam Gueye has violated provisions of the Arkansas Securities Act (“Act”), codified at 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. El Hadji Sam Gueye (“Gueye”), CRD No. 4175877, is a New York resident who has been employed as a broker-dealer agent with Meyers Associates, L.P. (“Meyers”), CRD No. 34171, a broker-dealer registered with the Arkansas Securities Department (“Department”), from April 9, 2012, to present. Gueye has not been registered with the Department in any capacity during the time of his employment with Meyers.

**FACTS SUPPORTING REQUEST FOR CEASE AND DESIST ORDER**

3. On November 4, 2013, Gueye contacted an Arkansas resident (“AR1”) on a cold call recommending the purchase of stock in Freeport-McMoRan Copper and Gold Inc. (“Freeport”). Gueye was not aware at the time of the call that AR1 was employed as a Senior

Securities Examiner with the Department and that he had contacted AR1 on a Department phone during business hours.

4. Freeport is a company specializing in the production of copper and gold. Freeport stock was trading at \$37.15 per share on the date of Gueye's call to AR1. During the cold call, Gueye represented to AR1 that he had inside information showing that insiders at Freeport were investing large sums of money into the company. Specifically, Gueye stated that a co-chairman had recently invested fifty-five million dollars of his own funds into Freeport by buying shares of company stock on the open market. Gueye asserted that this would cause a dramatic spike in Freeport's stock price "overnight." When concluding his stock pitch to AR1, Gueye propositioned his prospective client by stating "you give me three to six months. If I don't show you no less [*sic*] than 25% (return on investment) in six months, you close your account."

5. During his pitch to AR1, Gueye did not disclose the risks associated with purchasing the Freeport stock nor did he make any qualifications regarding an increase in the company's stock price. Although Gueye asked AR1 a few income-related questions at the end of their conversation, he failed to conduct a proper suitability analysis with AR1 prior to recommending the Freeport stock. Furthermore, Gueye expressed his intent to inflate the financial information that AR1 would provide in response to his few income-related inquiries. When inquiring into AR1's net worth, Gueye asked AR1 to provide a net worth figure for the new account application "to the closest million."

#### **APPLICABLE LAW**

6. Ark. Code Ann. § 23-42-301(a) provides that it is unlawful for any person to transact business in Arkansas as a broker-dealer agent without first being registered as such pursuant to the Act.

7. 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 the light of the circumstances under which they are made, not misleading.

#### **CONCLUSIONS OF LAW**

8. Gueye cold called AR1 and recommended the purchase of Freeport stock. Gueye was not registered with the Department as an agent of Meyers at the time of the call and, therefore, acted as an unregistered agent in violation of Ark. Code Ann. § 23-42-301(a).

9. Gueye made misrepresentations to AR1 regarding the impact of possible insider investment in Freeport and represented without qualification that Freeport's stock price would rise dramatically in the next six months. He also failed to conduct a suitability analysis prior to recommending the stock and expressed his intent to inflate AR1's net worth on a company account form to make the recommendation appear suitable. Accordingly, Gueye violated Ark. Code Ann. § 23-42-507(2) by committing securities fraud in the offer or sale of a security.

#### **LEGAL AUTHORITY TO ISSUE CEASE AND DESIST ORDER**

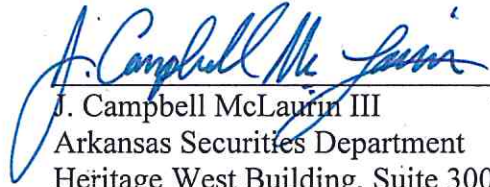
10. Ark. Code Ann. § 23-42-209(a)(1)(A) provides that whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the Commissioner, that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Act, or any rule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

#### **PRAYER FOR RELIEF**

WHEREFORE, the Staff respectfully requests that the Commissioner summarily order El Hadji Sam Gueye to immediately cease and desist from further violations of Ark. Code Ann.

§ 23-42-301(a) and Ark. Code Ann. § 23-42-507(2), and for all other relief to which the Staff may be entitled.

Respectfully Submitted,



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