

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO S-11-0219
ORDER NO. S-11-0219-12-OR07

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:
HENRY HORACE "BUSTER" GODBEE, III AND
ALEX LANCE WITTENBURG

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. §§ 25-15-201 through 25-15-219, in accordance with an agreement by and between the Staff of the Arkansas Securities Department ("Staff") and Henry Horace "Buster" Godbee, III ("Godbee III") and Alex Lance Wittenburg ("Wittenburg"), in full and final settlement of all claims that could be brought against Godbee III and Wittenburg by the Staff on the basis of the facts set forth herein.

Godbee III and Wittenburg admit the jurisdiction of the Act and the Arkansas Securities Commissioner ("Commissioner"), waive their right to a formal hearing and appeal, and without admitting or denying the findings of facts made herein, consent to the entry of this order and agree to abide by its terms in settlement of any possible violations committed by Godbee, III and Wittenburg concerning the matters detailed in this order.

FINDINGS OF FACT

1. Godbee III, CRD number 2284452, was a registered agent of Cambridge Legacy Securities, L.L.C. ("Cambridge Securities") and is a register representative of Cambridge Legacy Advisors, Inc. ("Cambridge Advisors"). In addition, Godbee III was the Arkansas resident designated principal for Cambridge Securities and for Cambridge Advisors. Godbee III was

registered with the Department as an agent for Cambridge Securities from October 22, 2004 until December 31, 2010, and has been registered as a representative of Cambridge Advisors since January 6, 2005.

2. Wittenburg, CRD number 4278127, is a registered agent of Cambridge Securities and a register representative of Cambridge Advisors. Wittenburg was registered with the Department as an agent for Cambridge Securities from October 28, 2004 until December 31, 2010, and has been registered as a representative of Cambridge Advisors since January 6, 2005.

3. Three weeks prior to Godbee III's registration as a representative of an investment advisor in Arkansas being approved by the Staff, Godbee III signed an investment advisory contract with an Arkansas resident.

4. In violation of Ark. Code Ann. § 23-42-308, Rule 308.01(D) and Rule 308.02(A) of the Rules, Godbee III and Wittenburg made unsuitable securities sales and provided unsuitable investment advice to some of their Arkansas clients by over-concentrating those clients' investment portfolios in illiquid, private placement securities. Arkansas resident one ("AR1") were unaccredited investors in their seventies, when they purchased securities from Godbee III on Godbee III's advice. Although AR1 only had moderate investment experience, Godbee III advised and put approximately 39% of their investable assets in illiquid bonds offered by Cornerstone Ministries, Inc. Arkansas resident two ("AR2") was an unaccredited investor in his fifties, when he purchased securities from Godbee III on Godbee III's advice. Although AR2 had only a little investment experience Godbee III advised and put approximately 23-30% of his investable assets in illiquid investments such as, United Development Funding and Real Estate Investment Trusts ("REITs") offered by Behringer Harvard. Arkansas resident three ("AR3") was an unaccredited investor in her fifties, when she purchased securities from Wittenburg on

Wittenburg's advice. Although AR3 had only a little investment experience Wittenburg, Wittenburg advised and put approximately 100% of her investable assets in illiquid investments such as a REIT offered by Behringer Harvard. Arkansas resident four ("AR4") were unaccredited investors in their sixties, when they purchased securities from Wittenburg on Wittenburg's advice. Although AR4 had only a little investment experience, Wittenburg advised and put approximately 59% of their investable assets in illiquid investments such as bonds offered by Cornerstone Ministries, Inc., REITs offered by Behringer Harvard and Lightstone, and United Development Funding.

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 a representative of an investment adviser without first being registered under this chapter.

6. Ark. Code Ann. § 23-42-308(a)(2)(B) states that the Commissioner may by order suspend or revoke any registration if he finds that the registrant has willfully violated or willfully failed to comply with any provision of this chapter or a predecessor act or any rule or order under this chapter or a predecessor act.

7. Rule 308.01(D) of the Rules states that recommending to a customer the purchase, sale or exchange of any security when a broker-dealer or agent does not have reasonable grounds for believing that the recommendation is suitable for such customer upon the basis of the facts, if any, disclosed by such customer as to his other security holdings and as to his financial situation and needs, or encouraging a customer to invest beyond his immediate financial resources shall be grounds for suspension or revocation of a broker-dealer or agent registration.

8. Rule 308.02(A) of the Rules states that recommending to a client to whom investment supervisory, management or consulting services are provided the purchase, sale or exchange of any security without reasonable grounds to believe that the recommendation is suitable for the client on the basis of information furnished by the client after reasonable inquiry concerning the client's investment objectives, financial situation and needs, and any other information known or acquired by the investment adviser after reasonable examination of the client's records as may be provided to the investment adviser shall be considered grounds for suspension or revocation of an investment adviser or representative registration.

CONCLUSIONS OF LAW

9. Godbee III violated Ark. Code Ann. § 23-42-301(c) by transacting business in Arkansas as a representative of an investment adviser without first being registered with the Arkansas Securities Department as detailed in paragraph 3.

10. Godbee III and Wittenburg violated Godbee III and Wittenburg violated Ark. Code Ann. § 23-42-308 and Rule 308.01(D) of the Rules, when they sold unsuitable investments to some Arkansas clients as detailed in paragraph 4.

12. Godbee III and Wittenburg violated Ark. Code Ann. § 23-42-308 and Rule Rule 308.02(A) of the Rules, when they made unsuitable investment advice to some Arkansas clients as detailed in paragraph 4.


OPINION

This order is in the public interest. The facts as set out in paragraphs 3 and 4 support the violations of the Act and Rules as set out in paragraphs 9 through 12.

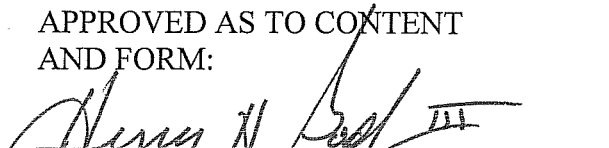
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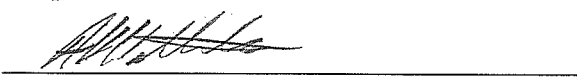
IT IS THEREFORE ORDERED that neither Godbee III nor Wittenburg shall not apply for registration with the Arkansas Securities Department as an agent of a broker-dealer for two years from the date of the entry of this order. In addition, Godbee III and Wittenburg shall be under heightened supervision by any future broker-dealer employer for a period of one year from the beginning date of any future employment as an agent of a broker-dealer. Further, the investment advisor representative registrations of Godbee III and Wittenburg will each be suspended for a period of 30 days beginning September 1, 2012 until September 30, 2012. Finally, Godbee III and Wittenburg shall each pay a fine to the Arkansas Securities Department in the amount of \$10,000.00 within 30 days of the entry of this order.


WITNESS MY HAND AND SEAL on this 30th day of July, 2012.


A. Heath Abshure
Arkansas Securities Commissioner

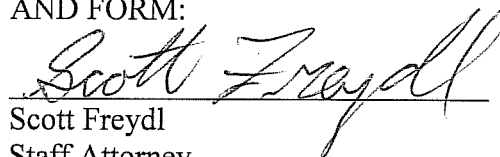
APPROVED AS TO CONTENT
AND FORM:


Henry Horace "Buster" Godbee, III
Respondent


Alex Lance Wittenburg
Respondent


Heartsill Ragon, III, Attorney for Respondents
Godbee III and Wittenburg

APPROVED AS TO CONTENT
AND FORM:


Scott Freydl
Staff Attorney
Arkansas Securities Department