

**STATE OF ARKANSAS  
SECURITIES DEPARTMENT**

**IN THE MATTER OF**

**NO. S-03-039-05-CO01**

**TOMMY LEE RUFF, CARLA LEA  
CHASTAIN, FIRST FINANCIAL  
ADVISORS, INC., AND FIRST  
FINANCIAL BROKERAGE SERVICES, INC.**

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**CONSENT ORDER**

This Consent Order is entered pursuant to the Arkansas Securities Act, codified at Ark. Code Ann. §§ 23-42-101, *et seq.* (Repl. 2000) (the “Act”), the Rules of the Arkansas Securities Commissioner promulgated under the Act (the “Rules”) and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201, *et seq.* (Repl. 2002). So as to avoid expenditures of time and expense and to resolve this matter expeditiously, this Order is agreed upon and entered with the consent of the separate parties, TOMMY LEE RUFF (“Ruff”), CARLA LEA CHASTAIN (“Chastain”), FIRST FINANCIAL ADVISORS, INC. (“First Advisors”), and FIRST FINANCIAL BROKERAGE SERVICES, INC. (“First Brokerage”) in full settlement of all claims brought against them by the Staff of the Arkansas Securities Department (the Staff) in its complaint, which was filed on October 21, 2004. Ruff, Chastain, First Advisors, and First Brokerage each waive all rights to a formal hearing and, while denying the allegations of the Staff’s complaint and the Findings of Fact and Conclusions of Law set forth in this Order, consent to the entry of this order and agree to abide by its terms:

## FINDINGS OF FACT

1. First Advisors became registered as an investment adviser in Arkansas on April 11, 1994, and has been registered since that date. The address for First Advisors is 3945 Highway 392 W., Harrison, Arkansas.
2. First Brokerage became registered as a broker-dealer in Arkansas on November 25, 1997, and remained registered until requesting termination of its Arkansas registration on January 30, 2004. The address for the broker-dealer was the same address as First Advisors.
3. Ruff became registered in Arkansas as a representative for First Advisors on April 11, 1994, and has been registered since that date. At all times relevant to the matters set forth herein, Ruff was the President of First Advisors and is listed on its IARD record as the sole owner of First Advisors.
4. Ruff became registered in Arkansas as an agent for First Brokerage on November 25, 1997, and remained registered as an agent for First Brokerage until requesting termination of First Brokerage's registration. At all times relevant to the matters set forth herein, Ruff was the President of First Brokerage and is listed on its CRD record as the owner of at least 95% of the broker-dealer. Prior to his registration as an agent with First Brokerage, Ruff was registered with several different firms dating back to May 29, 1986, when he first became registered as an agent in Arkansas.
5. Chastain became registered in Arkansas as a representative for First Advisors on January 1, 1996, and was registered until July 27, 2004. Chastain was also registered as an agent with First Brokerage from November 26, 1997 through November 7, 2003. At all times relevant to the matters set forth herein, Chastain maintained a branch office of the broker-dealer and investment adviser in Rogers, Arkansas. Chastain is currently registered as an agent and

representative with GunnAllen Financial, Inc., an Arkansas registered broker-dealer and investment adviser, and maintains a branch office in Rogers.

6. The Department initiated an examination of First Advisors and First Brokerage in February 2004, based upon information received from the Securities and Exchange Commission. Files were reviewed for the time period January 1, 2000 through December 31, 2003 (the “examination period”). The examination yielded the results summarized below.

7. When Ruff opened First Advisors in 1994, he put into practice an investment philosophy seeking to out-perform the three major indicators, the Dow Jones, the NASDAQ and the S&P 500, by moving clients’ money in and out of accounts on a frequent basis based on his analysis of certain financial indicators. The accounts of substantially all fee based clients of First Advisors participated in the firm’s trading program and were actively traded.

8. Almost all of the clients of First Advisors were age fifty or greater and were either retired or planning to retire soon.

9. All clients of First Advisors were invested in the same manner in equal percentage amounts of their total account values, regardless of their age, net worth, income, personal situation and circumstances, or written investment objectives. Although investment adviser client accounts numbered about 300 for much of the time period examined, Ruff and Chastain really had only two portfolios that they actively managed, an account for all clients invested in mutual funds and an account for variable annuity clients. All clients holding either product were treated the same.

10. Prior to and during the time period examined by the Staff, Ruff and Chastain conducted free dinner seminars at various locations in the Harrison and Rogers, Arkansas, area to prospect for new clients. Advertisements containing the name of the adviser, First Financial

Advisors, Inc., and the statement, “Securities Offered Through First Financial Brokerage Services, Inc.”, were placed in local newspapers notifying potential clients of the date, place and time of the free dinner seminars, and included the phrases:

“Most Investors Are Concerned With: 1. Protection of Principal”  
*The Morning News*, Tuesday, September 28, 1999

“How to Avoid the CD Trap and Low Interest Rates While Protecting Your Principal”  
“Learn How to Consistently Out Perform the Market While Protecting Your Risk in Your Retirement Account”  
*The Morning News*, Tuesday, January 22, 2002

“Learn how Low-Risk Management is your Key to Profiting in Any Market Condition.”  
*The Morning News*, Sunday March 2, 2003

11. In October 2002, Ruff mass mailed 1500 invitations for a seminar in Rogers to potential clients, notifying them of the date and place of a free dinner seminar. Interested investors were asked to call the number for First Advisors to make a reservation. The invitations included the phrases:

“Common Sense Money Management and Estate Planning!”  
“Do your advisors listen to their company analyst or to the Market?”  
“Stop the Bleeding in Your Retirement Accounts! Down markets can make you the most money!!”  
“How to Avoid the CD Trap and Low Interest Rates While Protecting Your Principal!”  
“How to Preserve Your Dignity and Leave an Inheritance to Your Family Instead of a Nursing Home!”  
“Common Sense Risk Management Consistently Out Performs the Market”

**“How Do You Feel When You Open Your Monthly Retirement Statements?**  
Last Quarter, from June 28<sup>th</sup> to September 30<sup>th</sup>, OUR Clients Who Participated in OUR Professionally Managed Accounts EARNED 14.5% on their Annuities and 20.1% on Their Brokerage Accounts! **How Did You Do?** “

12. Approximately 25 couples attended the October seminar. Neither the mailing nor seminar disclosed that the high return figures advertised were accomplished by aggressively

trading, long or short, the NASDAQ 100 or the S&P 500 using Rydex no load mutual funds and the American Skandia variable annuity funds. The high return figures advertised were also for only a short period of time, as opposed to an annual return.

13. Ruff and Chastain provided people who attended the free dinner seminars a form entitled "Confidential Financial Profile" on which potential clients could list their income, expenses, assets, liabilities and other financial information. Ruff and Chastain offered attendees a private meeting to review and assess their financial needs if they would complete the Confidential Financial Profile and bring it into their office. The Confidential Financial Profile did not ask for investment objectives or the level of risk tolerance, but did request that potential clients list their assets and specify both the amount and form of current financial holdings.

14. After potential clients indicated a willingness to become clients of First Advisors, Ruff and Chastain had individuals complete Investment Management Agreements stating their investment objectives by indicating the percentages of their money which they desired to have invested into the following three categories: "Moderately Aggressive Equity, Equity, and Balanced." The individuals also completed a New Account Form for First Brokerage, on which they stated their investment objectives by checking boxes that applied to them from the following categories: "Growth, Income, Safety, Tax incentive, Long Term, and Short Term." Though they requested that clients complete the information pertaining to investment objectives, Ruff and Chastain did not consider clients' stated investment objectives contained in the Investment Management Agreements or the New Account Forms when making investments for them. It was not disclosed to clients that First Advisors would not take their written investment objectives into consideration in making that determination.

15 The Investment Management Agreement signed by each customer also stated the following:

“[First Advisors] believes that its fiduciary responsibilities require [it] to *tailor portfolio/investment strategies to the needs of the individual client*. In general, [its] investment philosophy is growth of principal and/or [sic] to maximize current income within the constraints of *prudent risk-taking and according to the Client’s stated objectives*.”

And

“[First Advisors] will provide a *custom-prepared financial plan*...for the Client, *consisting of a written evaluation and analysis of the information provided by Client regarding Client’s financial goals and objectives*. The Plan will be prepared annually at no additional cost provided that Client furnishes all necessary financial information needed by [First Advisors].”

*Emphasis supplied.*

16 Ruff and Chastain did not provide custom-prepared plans based upon the customers’ stated investment objectives, but rather treated each customer the same, investing one customer’s account in the same fashion as all other customers’ accounts.

17. Ruff and Chastain invested the clients’ money in products, which were not suitable to the stated investment objectives indicated by the clients in the clients’ Investment Advisor Agreements or the New Account Forms. They subjected clients to extremely high risk levels by not only placing investments in Rydex high risk mutual funds, but they also traded those funds in an attempt to outguess the market.

18. During discussions with Staff examiners on February 11 and 12, 2004, Ruff stated that he needed to change the investment objectives listed on his printed forms to include only one category – High Risk, and instructed his office manager to change the Investment Advisor Agreement and New Account Form to have only High Risk as the investment objective. Ruff

and Chastain did not disclose to their clients that the trading program in which the clients' funds were placed was subject to high risk of loss.

19 Written advisory materials, advertisements, seminar presentations and meetings with clients contained untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. Such misrepresentations and omissions included the following:

(a) Omission to inform clients that Ruff and Chastain would not consider each individual's investment objectives and personal financial situation while investing clients' money.

(b) Omission to inform clients that their money would be invested in high risk mutual funds and that the clients could lose their principal investment.

(c) Omission to inform clients that their money would be speculatively traded in an attempt to predict market turns.

(d) Representation that Ruff and Chastain would attempt to protect investor's principal with low risk money management of retirement savings.

(e) Representations of historical high rates of return achieved by Ruff and Chastain over specific and nonspecific periods of time, while omitting to state annual performance figures or list specific investments utilized to achieve the advertised rates.

(f) Representations that each client would be provided a custom-prepared plan based upon the customer's individual investment objectives and needs.

20. The Rydex investment products utilized by Ruff and Chastain were extremely high risk mutual funds. The products alone, without considering the way they were traded, account for much of the losses incurred by clients of Ruff and Chastain.

21. In early 2000, Ruff and Chastain advised all clients of First Advisors, approximately 120 customer accounts, to transfer their accounts held at Fidelity Investments to Rydex. By the end of May 2000 all accounts had been transferred to Rydex, and Ruff, consulting daily with Chastain, began making discretionary trades in the accounts pursuant to the Investment Management Agreements. The agreements between First Advisors and clients, entered into upon their initial meetings with Ruff and Chastain, granted discretionary authority to Ruff and Chastain to make purchases and sell investments in customer accounts without first consulting the client.

22. Initially the accounts were invested in several Rydex mutual funds, including Bio-Tech, Electronics, Energy, Precious Metals and Retailing. However, by October 23, 2000, Ruff and Chastain had placed 100% of each of their customers' Rydex investments in two funds, 70% in the Rydex Velocity 100 and 30% in the Rydex OTC Fund-Advisor. The funds, characterized by Rydex Funds materials as a family of funds designed exclusively for financial professionals and sophisticated investors, are described by Rydex and Morningstar<sup>1</sup> materials as follows:

Rydex Velocity 100 H: Seeks investment results that correspond to 200% of the daily performance of the NASDAQ 100 Index. The fund primarily invests in leveraged instruments, such as futures and options contracts on securities. The fund may also purchase equity securities, engage in equity index swaps, and enter into repurchase agreements.

Rydex OTC-Adv: Seeks investment results that correlate to the total return of the NASDAQ 100 Index. The fund typically holds a representative sample of the securities included in the NASDAQ 100 Index, But also engages in investments techniques such as options and futures on securities and stock indexes. This fund carries a Morningstar Rating of one star and a Morningstar Risk Rating of High.

23. In 2001, Ruff and Chastain invested each customer's account in only two funds,



97% of the investments in the Velocity 100 and 3% in the Venture 100. The Venture 100 is described by Rydex as follows:

Rydex Venture 100 H: Seeks investment results that correspond to 200% of the inverse of the NASDAQ 100 Index. The fund seeks to accomplish its goal by engaging in short sales of securities and utilize futures and options contracts on securities. The fund may also engage in equity index swaps and enter into repurchase agreements. The Fund is non-diversified.

24. In 2002 and 2003 Ruff and Chastain continued their trading pattern by investing 97% of each customer's account in Venture 100 and Velocity 100 in 2002 and 91% in 2003.

25 The securities holdings and timing of transactions in client accounts constituted a "one size fits all" investment philosophy executed by Ruff and Chastain. Client accounts of First Advisors numbered approximately 300 during the period examined, with an average of 130 accounts in Rydex and 170 in American Skandia. About fifty clients had accounts in both Rydex and American Skandia.

26. In the year 2000, Ruff and Chastain opened 135 customer accounts with Rydex with assets totalling approximately \$7.75 million. Eleven customer accounts were closed and the ending balance for all Rydex accounts in 2000 was \$2.92 million for a realized and unrealized loss of 61% of the total account assets. In 2001, 19 new accounts were opened and 22 were closed with Rydex and total account assets experienced a 5% loss. In 2002, 18 new accounts were opened and 26 were closed with Rydex and total account assets experienced a loss of \$1.2 million or 33%. In 2003, total account assets experienced a loss of \$455,000 or 46%. Ruff and Chastain began the year 2003 with 113 customer accounts; however, 48 customers closed their accounts during the year.

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<sup>1</sup> Morningstar is an investment research firm that provides investing commentary, portfolio management tools, and detailed reports on stocks and mutual funds.

27. Losses experienced by customer accounts resulted not only from their investments in high risk funds, but also from the aggressive trading of those securities funds by Ruff and Chastain. Annual turnover rates for the Rydex accounts, determined by using the average annual account equity and total annual purchases to calculate the number of times the account equity is turned over on an annual basis, were twenty times in 2000, five times in 2001, ten times for 2002 and fifteen times for 2003.

28. The overall loss figures for Rydex accounts correlate to the same percentage losses by all individual customer portfolios reviewed by the Staff. Overall, the customer accounts of First Advisors with Rydex lost \$6,419,738 or over 80% of their value during the four year period through the investments and trading pattern effected by Chastain and Ruff.

29. Clients of First Advisors paid compensation to Ruff in three ways, through adviser fees, 12b(1) trailer fees, and commission fees. Chastain received compensation in the form of adviser fees and commission fees. Clients with Rydex accounts paid First Advisors a 2% annual fee on their money invested pursuant to the Investment Management Agreement with First Advisors. For the period examined by the Department, adviser fees paid to Ruff and Chastain for Rydex accounts exceeded \$230,000. In addition to the adviser fees, Ruff received 12b(1) trailer fees on an annual basis for each Rydex account.

30. Weekly mailings were made to clients that purported to be newsletters concerning the status of their accounts. The documents were not account statements or confirmations of trades conducted in the client accounts. The documents did not contain account specific information, but rather gave generic information about positions taken, and profits or losses incurred through the recommendations of the adviser for the previous week. Comparisons of the weekly performance of their firm's advice to the weekly performance of standard indexes were

often made in the newsletters and included information about the firm's short term trading strategies.

31. Chastain denies that she has violated any Arkansas Statutes or engaged in any wrongful conduct, act or omission.

### **CONCLUSIONS OF LAW**

1. Ark. Code Ann. § 23-42-308(a)(2)(B) provides 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.

2. Ark. Code Ann. § 23-42-308(a)(2)(G) provides that the Commissioner may by order suspend or revoke any registration if he finds that the registrant has engaged in dishonest or unethical practices in the securities business.

3. Ark. Code Ann. § 23-42-308(a)(2)(J) provides that the commissioner may by order suspend or revoke any registration if he finds that the registrant has failed reasonably to supervise the agents of the broker-dealer or the representatives of the investment adviser.

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

5. Ark. Code Ann. § 23-42-308(h) provides that nothing in [Section 308] shall prohibit or restrict the informal disposition of a proceeding or allegations which might give rise

to a proceeding by stipulation, settlement, consent, or default in lieu of a formal or informal hearing on the allegations or in lieu of the sanctions authorized by [Section 308].

6. Ark. Code Ann. § 23-42-507 provides that it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly:

- (1) To employ any device, scheme, or artifice to defraud;
- (2) 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; or
- (3) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

7. Rule 308.02 of the Rules provides, in part, that:

Each investment adviser and representative shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of its business. The following conduct shall be considered grounds for denial, suspension, or revocation of an investment adviser and representative registration, in addition to such other dishonest or unethical practices within the meaning of §§ 23-42-307 and 23-42-508 of the Act.

- (A) 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 such 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.

(E) Inducing trading in a client's account that is excessive in size or frequency in view of the financial resources, investment objectives and character of the account.

(H) Misrepresenting to any client, or prospective advisory client, the qualifications of the investment adviser or any employee of the investment adviser, or misrepresenting the nature of the advisory services being offered or fees to be charged for such service, or omitting to state a material fact necessary to make the statements made regarding qualifications, services or fees, in light of the circumstances under which they are made, not misleading.

(M) Publishing, circulating or distributing any advertisement:

(2) Which refers, directly or indirectly, to past specific recommendations of such investment adviser which were or would have been profitable to any person; provided, however, that this shall not prohibit an advertisement which sets out or offers to furnish a list of all recommendations made by such investment adviser within the immediately preceding period of not less than one year if such advertisement, and such list if it is furnished separately:

(a) State the name of each such security recommended, the date and nature of each such recommendation (e.g. whether to buy, sell or hold), the market price at that time, the price at which the recommendation was to be acted upon, and the market price such security as of the most recent practicable date, and

(b) Contain the following cautionary legend on the first page thereof in print or type used in the body or text thereof: “it should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list”, or

(5) Which contains any untrue statement of a material fact, or which is otherwise false or misleading.

8. The actions of Ruff as set forth above constitute violations of Ark. Code Ann. § 23-42-507 in that Ruff made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

9. The actions of Ruff as set forth above constitute violations of Rule 308.02(H) in that Ruff willfully misrepresented to their clients the true nature of the activities in which they engaged using the clients’ funds, and omitted to state material facts necessary to make the statements which they made regarding such activities not misleading under the circumstances

10. The actions of Ruff and Chastain as set forth above constitute violations of Rule 308.02(A) in that Ruff and Chastain willfully recommended to the various clients as set forth above the purchase, sale or exchange of securities when they did not have reasonable grounds for believing that the transactions were suitable for the clients on the basis of the information disclosed by the clients regarding their investment objectives, financial situations and needs.

11. The actions of Ruff and Chastain as set forth above constitute violations of Rule 308.02(E) in that Ruff and Chastain willfully induced trading in the various clients’ accounts that was excessive in size and frequency in view of the various clients’ financial resources, investment objectives, and character of their accounts.

12. The actions of Ruff as set forth above constitute violations of Rule 308.02(M) in that Ruff willfully published and distributed to the public and the various clients advertisements which contained untrue statements and were otherwise false and misleading or omitted to state material facts necessary to make statements made not misleading.

13. Ruff's actions, on his own behalf and as the President and owner of First Advisors and First Brokerage, as set forth above constitute violations of Ark. Code Ann. § 23-42-308(a)(2)(J) in that Ruff, First Advisors, and First Brokerage failed reasonably to supervise Chastain by failing to take or have in place reasonable measures to prevent, discourage, address or stop the activities of Chastain as described herein, or, if such measures existed, by failing to enforce them to prevent, discourage, address or stop the activities of Chastain as described herein.

14. The activities and violations set forth above constitute grounds under Ark. Code Ann. § 23-42-308 to revoke or suspend the registrations of the Respondents and to levy fines against the Respondents.

15. Subsection (h) of Section 308 provides that the allegations of the Complaint may be settled by stipulation and consent in lieu of the sanctions specifically authorized by Section 308.

16. It is in the public interest that this Order be entered.

## OPINION

The activities alleged in the Complaint are of a sufficiently serious nature as to warrant the most serious of sanctions. By revoking the registrations of Ruff, First Advisors and First Brokerage, the public can be assured that no further activities of this sort will be conducted by those Respondents. The sanction to which Chastain has consented should be substantial enough to deter her from improper conduct.

## ORDER

IT IS THEREFORE ORDERED, pursuant to the agreement of the parties, that

1. The registration of First Financial Brokerage Services, Inc. is revoked effective January 30, 2004.
2. The registration of Ruff as an Agent is revoked effective January 30, 2004.
3. The registration of First Financial Advisors, Inc. is revoked effective immediately
4. The registration of Ruff as an Investment Adviser Representative is revoked effective immediately.
5. The registration of Chastain as an Investment Adviser Representative is hereby surrendered and revoked effective immediately.
6. The registration of Chastain as an Agent is suspended for a period of one hundred eighty (180) days effective 12:00 noon on May 20, 2005. At the end of such period, Chastain's license will be automatically reinstated as an Agent and the Arkansas Securities Department or Commission will not deny renewal of Chastain's license as an Agent as a result of any allegation in the Complaint or any activity of which the Staff of the Arkansas Securities Department is presently aware or any act, conduct or omission of Chastain occurring while she was employed by, representing or registered with First Advisors and/or First Brokerage.
7. Chastain agrees that prior to expiration of the period of suspension set forth above, she must retake the Series 7 examination and achieve a score of at least 70% correct answers.
8. Chastain shall pay a fine in the amount of One Hundred Thousand Dollars (\$100,000.00) to the Arkansas Securities Department. Such fine shall be paid as follows: A payment of Twenty Thousand Dollars (\$20,000.00) due and payable within 10 days of the date of entry of this Order, with a payment of Twenty Thousand Dollars (\$20,000.00) due and payable on or before May 1, 2006, and like payments due on or before May 1 of each subsequent year until the entire fine is paid in full. In the event that Chastain fails to make any payment on or before the date or dates indicated above, her registration as an agent shall be temporarily suspended until such payment is made without the need for any hearing or further action on the



part of the Staff or the Commissioner, and Chastain specifically waives all rights concerning such notice and hearing and consents to such temporary suspension. In the event that Chastain fails to make a payment when due during a period of time in which she is suspended from registration, the period of her suspension shall be tolled and shall recommence upon her payment of the amount due.

9. Chastain agrees, as a condition to her becoming registered after the period of suspension, that she and her perspective employer will furnish to the Staff an undertaking providing for heightened supervision, including the following particulars:

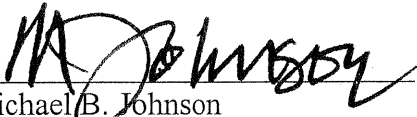
- a. Chastain will spend two (2) days per month at the office of the individual that is designated as the Arkansas Resident Principal for the broker-dealer and/or investment adviser with which she is to be registered (which may be the office that is designated as her Office of Supervisory Jurisdiction for NASD purposes) working under the close supervision of such individual for a period of one (1) year following the date upon which she becomes registered following the period of suspension;
- b. The Arkansas Resident Principal for the broker-dealer and/or investment adviser with which she is to be registered (which may be the office that is designated as her Office of Supervisory Jurisdiction for NASD purposes) will perform quarterly branch office examinations of Chastain's office for a period of one (1) year following the date upon which she becomes registered following the period of suspension and will provide the results of each such examination to the Staff of the Department within fifteen (15) days following such examination;
- c. Chastain will, for a period of one (1) year, have all new account opening documents and proposed portfolios approved by the individual that is designated as the Arkansas Resident Principal for the broker-dealer and/or investment adviser with which she is to be registered and the home office of such employer prior to

accepting any funds from the client for which such account is opened or portfolio is recommended;

- d. The home or principal office of the broker-dealer and/or investment adviser with which she is to be registered will for a period of one (1) year perform two (2) branch office examinations of Chastain's office, at least one of which shall be an on-site examination, and will provide the results of each such examination to the Staff of the Department within fifteen (15) days following such examination. The first such examination shall take place within least six (6) months from the date on which Chastain becomes registered following the period of suspension, and the second such examination shall take place no sooner than six (6) months following the first examination. This requirement will in no way limit the number of additional examinations that her employer may perform.

IT IS SO ORDERED.

WITNESS MY HAND AND SEAL this 25<sup>th</sup> day of May, 2005.

  
Michael B. Johnson  
SECURITIES COMMISSIONER