

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. S-10-053

IN THE MATTER OF:

ORDER NO. S-10-053-10-OR01

**REGISTRATION OF MITCHUM
TAPSON WITH ST. BERNARD
FINANCIAL SERVICES, INC.**

ORDER GRANTING CONDITIONAL REGISTRATION

This Order is entered pursuant to the Arkansas Securities Act ("Act"), Ark. Code Ann. §§ 23-42-101 through 23-42-509, the Rules of the Arkansas Securities Commissioner ("Rules"), and the Arkansas Administrative Procedures Act, Ark. Code Ann. §§ 25-15-101 through 25-15-219.

FINDINGS OF FACT

1. On June 25, 2010, an application for registration was filed with the Arkansas Securities Department ("Department") for Mitchum W. Tapson ("Tapson"), CRD # 5344558, to be registered as an investment adviser representative for St. Bernard Financial Services, Inc. ("St. Bernard"), CRD # 36956, a Securities and Exchange Commission registered investment adviser.
2. On December 8, 2009, the Arkansas Securities Commissioner ("Commissioner") entered Order No. S-09-037-09-CO01 in which Tapson is a named respondent. The December 8, 2009, Order is a consent order that includes provisions requiring Tapson to receive on-site heightened supervision of his investment adviser representative activities by a Series 24 qualified registrant of an employing investment adviser as a condition of future registration of Tapson as a registered investment adviser representative in Arkansas. The December 8, 2009, Order stipulates that such heightened supervision must include daily review of Tapson's new accounts, trades, and correspondence by a

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registered principal to ensure that all correspondence and documents provided to customers have been approved and that trades are authorized, suitable, and comply with the supervisory and compliance policies and procedures set forth by his employing firm.

3. On July 2, 2010, Robert Keenan, CEO and Chief Compliance Officer of St. Bernard, submitted a Plan for Heightened Supervision of Mitch Tapson ("Plan") with the Department. (Attached)

CONCLUSIONS OF LAW

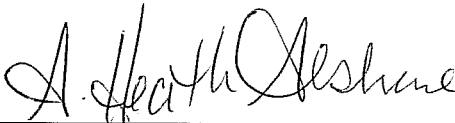
4. Ark. Code Ann. § 23-42-302(a)(2) provides that the Commissioner may, by order, approve a limited registration with such limitations, qualifications, or conditions as the Commissioner deems appropriate.

5. The Plan for Heightened Supervision of Mitch Tapson, submitted with signatures of Robert Keenan and Rebecca Gail Murdoch, both Series 24 qualified supervisors with St. Bernard, and the signature of Tapson, substantially complies with the requirements set forth in Order No. S-09-037-09-CO01.

ORDER

The application of Mitchum W. Tapson for registration as a representative of St. Bernard Financial Services, Inc. is hereby approved, but this approval is made conditional upon all provisions of the attached Plan for Heightened Supervision being effectively carried out by all parties thereto.

IT IS SO ORDERED.



A. HEATH ABSHURE
Arkansas Securities Commissioner

July 9, 2010

DATE

Plan for Heightened Supervision of Mitch Tapson

by St. Bernard Financial Services, Inc.

Robert Keenan, CEO and Chief Compliance Officer of St. Bernard Financial Services, Inc. (St. Bernard), has met with Mitch Tapson and discussed in detail the issues addressed in the Arkansas Securities Department Order No. S-09-037-09-CO01 related to Mr. Tapson. Those issues include: breakpoint avoidance through the use of multiple mutual fund families, the use of "B" and "C" share classes of mutual funds when "A" shares were more appropriate, lack of disclosure to the investor related to fees, expenses, and commissions, and failure to provide clients switch letters when existing mutual fund positions are replaced with different mutual funds.

Mr. Keenan believes he and his firm can provide the necessary education and training to enable Mr. Tapson to advise investors properly and avoid any future violations related to issues addressed in the Consent Order. Mr. Keenan has twenty years of experience in the securities business and has owned his brokerage firm since 1994. He has extensive experience in regulatory compliance including service on FINRA disciplinary panels. Mr. Keenan will use his experience and knowledge to provide heightened supervision for Mr. Tapson while he is registered with St. Bernard.

Gall Murdoch is a registered broker-dealer agent and investment advisor representative with St. Bernard, has passed the series 7, 63, and 24 exams, and holds a Certified Financial Planner professional designation. Ms. Murdoch works at a branch office of St. Bernard in Conway, Arkansas. Ms. Murdoch will provide on-site heightened supervision of Mr. Tapson's activities at the Conway branch location of St. Bernard.

St. Bernard's plan for heightened supervision of Mr. Tapson (the plan), to be in effect for a period of one year from the date he becomes registered with St. Bernard, will include the following:

1. Ms. Murdoch will attend all client meetings conducted by Mr. Tapson for the first six months, and such meetings will be held in the branch office in Conway when possible.
2. A risk tolerance test will be conducted and documented for each client that Mr. Tapson meets with, reviewed by Ms. Murdoch, and forwarded to Mr. Keenan.
3. Mr. Tapson will prepare a written proposal of investment advice for each client he meets with, to be approved by Ms. Murdoch and Mr. Keenan prior to being presented to the client.
4. Clients will be required to approve all proposals and any modifications to proposals in writing by signing the document. Any modifications to proposals must be reviewed and approved by Ms. Murdoch and Mr. Keenan. Clients will receive a copy of approved proposals and modified proposals.
5. A mutual fund disclosure form will be provided each client that receives investment advice involving mutual funds. The disclosure form shall address issues to include: share classes, breakpoints, operating expenses, fees, and commissions. Mr. Tapson will explain and discuss the disclosure form and its contents with each client.

6. A prospectus for each mutual fund recommended by Mr. Tapson will be given to the client at the time they are shown the investment proposal.

7. Proposals prepared by Mr. Tapson will attempt to retain existing mutual fund positions and work with existing mutual fund families held by the client.

8. Proposals prepared by Mr. Tapson will attempt to limit the number of fund families to three or less.

9. Mr. Tapson will use the FINRA fund analyzer to assist him in preparing proposals for clients that recommend appropriate mutual fund share classes. Hard copies of the analysis will be provided to Ms. Murdoch and Mr. Keenan as support data for their approval of client investment proposals.

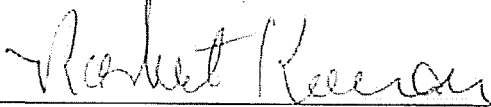
10. For each investment proposal involving a liquidation of a mutual fund position and subsequent investment in another mutual fund, Mr. Tapson will provide the client with a "switch" letter, fully explaining the transactions and reasons why they are beneficial to the client. The "switch" letter will accompany the proposal, be reviewed and approved by Ms. Murdoch and Mr. Keenan, explained to the client, and signed by the client.

11. Ms. Murdoch will review all transactions occurring in accounts of clients of Mr. Tapson and confirm that they comply with each client's investment proposal. Mr. Keenan will review transactions in accounts of clients of Mr. Tapson on at least a weekly basis.

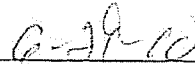
12. Mr. Keenan will provide on-site supervision, education, and training of Mr. Tapson at least monthly at the Conway, Arkansas, branch location of St. Bernard. Records documenting this training, to include dates, times, and subject matter, shall be maintained in a file designated "Heightened Supervision of Mitch Tapson".

13. All other documents required by the Plan shall be maintained in the client files of the firm.

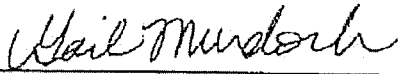
This Plan for Heightened Supervision of Mitch Tapson is agreed to by:

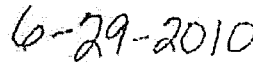


Robert Keenan



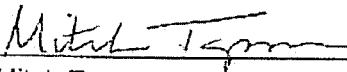
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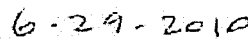




Date

Gail Murdoch





Date

Mitch Tapson