

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-23-0030**

IN THE MATTER OF

STEPHEN L. SHIELDS, APPLICANT

ORDER NO. S-23-0030-23-OR01

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 25-15-221.

FINDINGS OF FACT

1. On August 14, 2023, the Arkansas Securities Department (“Department”) received an application for registration (“Application”) from Stephen L. Shields (“Shields”) (CRD# 7739084) to be a broker-dealer agent in Arkansas with Carty & Company, Inc. (“Carty”) (CRD# 7001), a broker-dealer registered with the Department since June 27, 1977, with its principal office location in Memphis, Tennessee.
2. While reviewing Shields’ registration application, the staff of the Arkansas Securities Department (“Staff”) found that Shields had several unsatisfied and outstanding liens filed against him by the Internal Revenue Service (“IRS”) and the states of Arkansas and Mississippi for unpaid taxes.
3. On September 20, 2023, Shields filed Chapter 13 bankruptcy in the United States Bankruptcy Court for the Eastern District of Arkansas to reorganize and satisfy his debts within a reasonable period of time. The bankruptcy plan requires that Shields pay a set amount each month

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to a trustee for sixty (60) months and specifies that the payment amount will increase beginning in June 2024. On October 3, 2023, the bankruptcy court ordered Carty to deduct a set amount from Shields' income until further orders by the court.

CONCLUSIONS OF LAW

4. Ark. Code Ann. § 23-42-308(a)(1) and (a)(2)(H) state, in part, that the Arkansas Securities Commissioner ("Commissioner") may by order make conditional any registration if they find that the order is in the public interest and the applicant is insolvent, either in the sense that their liabilities exceed their assets or in the sense that they cannot meet their obligations as they mature.

5. Ark. Code Ann. § 23-42-302(a)(2) provides that the Commissioner may by rule or order approve a limited registration as a broker-dealer agent with such limitations, qualification, or conditions as the commissioner deems appropriate.

ORDER

The application of Stephen L. Shields for registration as a broker-dealer agent of Carty & Company, Inc. is hereby approved but is made conditional upon the following:

(a) All provisions of the attached Heightened Supervision Plan shall be carried out by all parties thereto;

(b) Shields must remain in good standing with payments required by his bankruptcy plan until such time as the bankruptcy plan is discharged by the court;

(c) Any failure by Shields to adhere to the provisions of this Order shall result in disciplinary action, including a possible fine, suspension, or termination of Shields' registration in Arkansas as a broker-dealer agent.

IT IS SO ORDERED

WITNESS MY HAND this the 15th day of November, 2023.

SUSANNAH T. MARSHALL
ARKANSAS SECURITIES COMMISSIONER

By: 

J. Campbell McLaurin
Deputy Commissioner
Arkansas Securities Department
1 Commerce Way, Suite 402
Little Rock, Arkansas 72202

HEIGHTENED SUPERVISION PLAN

Employee Name: Stephen L. Shields

CRD# 7739084

Designated Supervisor: Edmond G. Hurst

CRD# 2150831

Begin Date: November 1, 2023

End Date: November 1, 2028

Carty & Company, Inc. (CRD# 7001) ("Carty") has placed Stephen L. Shields ("Shields") under a heightened supervision plan ("HSP") to provide ongoing transparency into Shields' financial condition during the pendency of his chapter 13 bankruptcy plan ("Bankruptcy Plan") and to ensure the timeliness of required Form U4 amendments.

Terms of the HSP:

On a **quarterly** basis (commencing with the quarter beginning January 1, 2024), Edmond G. Hurst ("Hurst") will do as follows:

- Conduct a public records search to ensure all reportable events or matters are disclosed on Shields' Form U4.
- Review Shields' public records search results and Form U4 attestation to ensure all reportable events or matters are properly disclosed.
- Maintain records of the Bankruptcy Plan, including, but not limited to, the Bankruptcy Plan, any amended Bankruptcy Plans, current or amended employer withholding court orders pursuant to the Bankruptcy Plan, and any other orders or directives from the bankruptcy court regarding payment to the trustee or the Bankruptcy Plan.
- Ensure that any employer withholding court orders pursuant to the Bankruptcy Plan are being implemented by Carty or that timely payments are made by Shields under the Bankruptcy Plan.
- Perform an HSP review at the conclusion of the term to determine what further action is necessary.
- Attest in writing on a quarterly basis that he has performed his supervisory responsibilities specified in this HSP.

Shields will do as follows:

- Quarterly review his Form U4 and confirm by way of attestation that his registration is accurate and current.
- Promptly inform Carty and Hurst of any new reportable events or matters, any change to reportable events or matters currently disclosed on Shields' Form U4, or any other required amendment to Shields' Form U4 at any time.
- Provide Carty with copies of his Bankruptcy Plan, any amended Bankruptcy Plans, any court orders regarding payment to the trustee, and proof that he has made timely payments to the trustee, if a future court order requires Shields to make payments directly to the trustee.

Stephen L. Shields HSP
Carty & Company, Inc. (CRD# 7001)

In the event that Shields fails to comply with the terms of his bankruptcy plan or with the terms of this HSP, Carty, upon learning of the non-compliance, will immediately report the matter to the Arkansas Securities Department.

I understand and agree to comply with the above-described procedures and HSP. I also understand failure to comply may result in immediate termination of my employment and registration as a broker-dealer agent.

 (10-31-23)

Stephen L. Shields
CRD# 7739084

I understand and agree to accept the responsibility of performing the above-described supervision.



Edmond G. Hurst
CRD# 2150831