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REC'D - AR SECURITIES

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. S-24-0015

ORDER NO. S-24-0015-24-OR01

IN THE MATTER OF:

Christopher Lee Baugh

RESPONDENT

CONSENT ORDER GRANTING CONDITIONAL REGISTRATION

This Consent Order Granting Conditional Registration is entered pursuant to the Arkansas Securities Act (“Act”), codified at Ark. Code Ann. §§ 23-42-101 to 23-42-509, the Rules of the Arkansas Securities Commissioner (“Rules”) promulgated under the Act, and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-101 to 25-15-221, in accordance with an agreement by and between the staff of the Arkansas Securities Department (“Staff”) and Respondent, Christopher Lee Baugh (CRD No. 3250943) (“Baugh”), in full and final settlement of all claims that could be brought against Baugh by the Staff on the basis of the facts set forth herein.

Baugh admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), waives his right to a formal hearing and appeal, consents to the entry of this Order, and agrees to abide by its terms.

FINDINGS OF FACT

1. Baugh was a registered broker-dealer agent and investment adviser representative in Arkansas with Raymond James Financial Services, Inc. (CRD No. 6694) from September 12, 2005, to March 19, 2024, and a registered investment adviser representative with Raymond James Financial Services Advisors, Inc. (CRD No. 149018) from January 2, 2009, to March 19, 2024 (collectively “Raymond James”).

2. On March 19, 2024, Baugh was discharged from Raymond James for conduct inconsistent with the firm's policy on outside business activities.

3. Baugh submitted an application to the Arkansas Securities Department on March 20, 2024, to be an investment adviser representative with NewEdge Advisors, LLC (CRD No. 171351) ("NewEdge").

4. Following Baugh's discharge from Raymond James and his subsequent application for registration with NewEdge, the Staff investigated the circumstances surrounding Baugh's termination from Raymond James.

5. On May 10, 2023, Baugh submitted to Raymond James a new outside business request to conduct business for an entity named Wealth Stewards. In the request, the entity was identified as a limited liability company, but the outside business activity was conducted through CBB Inc., a Florida corporation, which does business as Wealth Stewards. Baugh's request described the business activities as creating deferred compensation plans or "Rabbi Trusts" for ministers and pastors by using template documents created by retirement planning attorneys.

6. On November 8, 2023, Raymond James denied Baugh's outside business activity request.

7. In December 2023, Raymond James received an internal complaint that Baugh had been conducting business for Wealth Stewards without authorization. During its investigation, Raymond James learned that Baugh had been conducting unauthorized business for Wealth Stewards as early as January 2023.

8. While engaging in unauthorized business activity with Wealth Stewards, Baugh received over ten thousand dollars (\$10,000) in fees for the services he provided. Baugh arranged

for his clients to pay him directly instead of through Raymond James's supervised books and records.

CONCLUSIONS OF LAW

9. The Commissioner may by order make conditional any registration if they find that the order is in the public interest and the applicant or registrant has engaged in dishonest or unethical business practices in the securities business. Ark. Code Ann. § 23-42-308(a)(1) and (a)(2)(G).

10. Rule 308.01 regarding unfair, misleading, and unethical practices of broker-dealers or agents states, in part, that each broker-dealer agent shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business and specifies certain conduct that shall be considered unethical within Ark. Code Ann. § 23-42-308 of the Act.

11. As specified in Rule 308.01, regarding outside sales activities, broker-dealer agents may not engage in securities or non-securities transactions not recorded on the regular books and records of the broker-dealer unless the activity is authorized in writing by the broker-dealer and the authorization is maintained in the broker-dealer's records. Rule 308.01(r).

12. 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 or investment adviser representative with such limitations, qualifications, or conditions as the Commissioner deems appropriate.

13. The Commissioner may for each violation of the Act or Rules fine an investment adviser representative and broker-dealer agent an amount not to exceed ten thousand dollars (\$10,000) or an amount equal to the total amount of money received in connection with each separate violation. Ark. Code Ann. § 23-42-308(g)(1).

14. Ark. Code Ann. § 23-42-308(h) provides that matters may be resolved by consent order in lieu of formal proceedings.

UNDERTAKINGS

In settlement of this matter, Baugh agrees to pay a fine of ten thousand dollars (\$10,000) and comply with the heightened supervision plan hereto attached.

OPINION

This Order is in the public interest, and the facts as set forth in paragraphs one through eight support the violations of the Act and Rules as set forth in paragraphs nine through eleven.

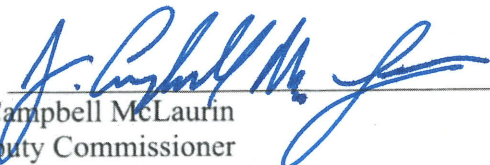
ORDER

IT IS THEREFORE ORDERED that, in accordance with his undertakings, Christopher Lee Baugh shall pay a fine of ten thousand dollars (\$10,000) to the Arkansas Securities Department upon entry of this Order.

Upon payment of the above-referenced fine, Baugh will be conditionally approved as an investment adviser representative with NewEdge Advisors, LLC, which is contingent upon the successful implementation of all provisions of the attached heightened supervision plan by all parties thereto.

WITNESS MY HAND this the 19th day of August, 2024.

SUSANNAH T. MARSHALL
ARKANSAS SECURITIES COMMISSIONER

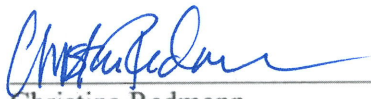
By: 
J. Campbell McLaurin
Deputy Commissioner
Arkansas Securities Department
1 Commerce Way, Suite 402
Little Rock, Arkansas 72202

Christopher Lee Baugh hereby agrees to entry of this Consent Order, and consents to all terms, conditions, and orders contained therein, and waives any right to an appeal from this Order.



Christopher Lee Baugh (CRD No. 3250943)

APPROVED AS TO FORM AND CONTENT



Christina Redmann
Staff Attorney
Arkansas Securities Department

8-16-2024
Date

HEIGHTENED SUPERVISION PLAN

Employee Name: Christopher Lee Baugh
Designated Supervisor: William C. Brand

CRD# 3250943
CRD# 4441531

Begin Date: August 19, 2024

End Date: August 19, 2027

NewEdge Advisors, LLC (CRD# 171351) ("NewEdge") has placed Christopher Lee Baugh ("Baugh") under a heightened supervision plan ("HSP") to provide ongoing transparency into Baugh's outside business activities and to ensure the timeliness of required Form U4 amendments.

Terms of the HSP:

Upon Baugh's registration, NewEdge and William C. Brand ("Brand") will conduct a search for any outside business activities in which Baugh may be involved, whether disclosed or not. If any activities are found that need to be disclosed, Baugh's Form U4 will be amended to make the necessary disclosure.

On a **quarterly** basis (commencing with the quarter beginning on October 1, 2024), Brand will audit Baugh through reasonable due diligence to determine if any outside business activities have taken place since the initial review period. All audits will be memorialized in Baugh's compliance file with NewEdge. At a minimum the audit will review the following:

- Bank statements during the review period to determine if any unusual deposits or withdrawals appear.
- Peer-to-Peer¹ transaction statements during the review period to determine if Baugh is engaging in unauthorized securities or non-securities activities or transactions with clients or otherwise participating in unusual transactions.
- Filings made with the Arkansas Secretary of State and comparable business entity records in other states, as needed, to determine if Baugh has organized or incorporated a new business entity.


Baugh will do as follows:

- Upon registration, supply the above-listed financial information to NewEdge and Brand.
- Quarterly (commencing with the quarter beginning on October 1, 2024) supply the above-listed financial information to NewEdge and Brand.
- Quarterly review his Form U4 and confirm by way of attestation that his registration is accurate and current.
- Promptly inform NewEdge and Brand of any new reportable events or matters, any changes to reportable events or matters currently disclosed on Baugh's Form U4, or any other required amendment to Baugh's Form U4 at any time.

¹ Peer-to-peer services includes, but is not limited to, PayPal, CashApp, Venmo, and Zelle.

In the event that Baugh fails to comply with the terms of this HSP, NewEdge, 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 an investment adviser representative.

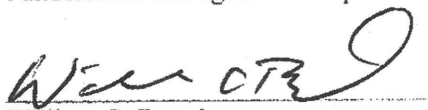


Christopher Lee Baugh
CRD# 3250943

8/16/2024

Date

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



William C. Brand
CRD# 4441531

8/19/2024

Date