STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:	)	
	)	
JAMES MARK MCLAUGHLIN	)	**ORDER TO BAR**
	)	**NO. OB-2013-0017**
RESPONDENT	)	

ORDER TO BAR

The Alabama Securities Commission ("Commission"), having authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENT

1. **JAMES MARK MCLAUGHLIN ("MCLAUGHLIN")** at all times relevant was duel registered as a Broker Dealer Agent and an Investment Adviser Representative (CRD #1925099), d/b/a; J. Mark McLaughlin, LLC, with a commercial business address of 32 McLaughlin Lane, Westover, Alabama 35147. MCLAUGHLIN was registered with the FINRA member firm, Securities America, Inc. CRD #10205.

STATEMENT OF FACTS

2. According to the Central Registration Depository (CRD) from October 5, 2000, to October 12, 2012, MCLAUGHLIN was registered as a Broker Dealer Agent associated with the firm, Securities America, Inc., ("SAI"), CRD #10205.

3. On September 1, 2000, MCLAUGHLIN filed the Limited Liability Company articles of Organization for J. Mark McLaughlin, LLC, ("JMM") with the Alabama Secretary of State's office. JMM with the business address of 32 McLaughlin Lane, Westover, Alabama, 35147, was purportedly in the business of providing "Investment

Advice, Financial Planning and Investment Management."

4. On or about December 20, 2012, the Commission received documents and information that alleged MCLAUGHLIN may have committed several violations of the Alabama Securities Act.

5. On or about November 26, 2012, numerous SAI Alabama clients received correspondence entitled: "Letter of Understanding and Settlement Agreement," which disclosed their individual brokerage accounts had "incurred commission charges that exceeded SAI guidelines".

6. Documents obtained from SAI revealed that SAI Compliance Department conducted a risk assessment for MCLAUGHLIN's top 10 revenue generating clients covering a period of August 1, 2011 to August 31, 2012. The assessment revealed commissions charged as a percentage of the average account value ranged from 7.8% to 34.1%. MCLAUGHLIN executed 1009 trades in his ten most active accounts generating $99,209.75 in commissions.

7. In addition, SAI documents alleged a pattern of short term trading of fully loaded A share mutual funds within the accounts and the identification of 117 instances in which MCLAUGHLIN may have been "Trading Dividends" in the analyzed accounts. Trading Dividends is the purchasing stock prior to the ex-dividend payment, holding the stock during the record date and selling the stock shortly after the dividend payment.

8. SAI documents obtained by the Commission indicate numerous client accounts for MCLAUGHLIN experienced turnover rates from 553% to 1053% over a 12 month period. One Alabama client account paid $1980.63 in commissions in February 2012 and had a turnover measure of 831% for the trailing 12 months.

9. On October 1, 2012, SAI representatives terminated MCLAUGHLIN in all capacities for cause, based on the allegations mentioned previously and the lack of any credible explanation concerning the trend of trading activities in the client accounts.

10. Consequently, the Commission staff conducted a churning analysis of all

client accounts managed by MCLAUGHLIN.

11. The Commission's analysis which encompassed a Twenty One (21) month period (01/01/11 to 09/30/12) revealed a total of Eighteen (18) client accounts having an annualized portfolio turnover that exceeded Three (3) times the average account value.

12. In addition, the Commission's analysis revealed Twenty One (21) of MCLAUGHLIN'S clients accounts had an annualized expense ratio that exceeded 5.25%, with an overall average of 17.05%. Of those 21 clients, Eleven (11) client accounts experienced expense ratios ranging from 11.54% to 42.41%.

13. Furthermore, the Commission's analysis confirmed the existence of short term trading of "A" shares conducted by MCLAUGHLIN within the referenced client accounts.

CONCLUSIONS OF LAW

14. The frequency of the transactions conducted in the SAI client accounts by MCLAUGHLIN, from January 1, 2011, to September 30, 2012, was against the interest of the clients and is evidence of churning. This activity violates Rule 830-X-3-18(3) of the Alabama Securities Commission Administrative Code.

15. Section 8-6-3(j)(7), Code of Alabama 1975 states: "The Securities Commission may by order deny, suspend or revoke any registration, censor or bar any applicant or registrant; who has engaged in dishonest or unethical practices in the securities business". McLaughlin conducted excessive trading ("Churning") in at least Eighteen (18) SAI client accounts. In addition, a number of the identified SAI accounts managed by McLaughlin, contained a pattern of short term trading of fully loaded A Share mutual funds. McLaughlin's conduct constitutes dishonest or unethical practices in violation of the Act.

This Order does not prevent the Alabama Securities Commission from seeking such other administrative, civil or criminal remedies that are available to it under the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the RESPONDENT to make a timely request for hearing, or default of the respondent, it is the intention of the Commission to impose sanctions upon the RESPONDENT. Such sanctions may include, inter alia, an administrative assessment imposed on RESPONDENT, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against RESPONDENT, and a permanent order to bar RESPONDENT from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that the RESPONDENT be BARRED from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 8th day of November, 2013.

ALABAMA SECURITIES COMMISSION
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BY:

Joseph Borg
Director