

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)
) **ADMINISTRATIVE ORDER)**
JARED DEAN EAKES) **NO. OB-2022-0024**
)
 RESPONDENT)

ORDER TO BAR

The Alabama Securities Commission (“Commission”), having the 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, has determined as follows:

RESPONDENT

1. JARED DEAN EAKES (“EAKES”) (CRD #6618313), believed to be a resident of Jacksonville, Florida, was registered in the State of Alabama as broker dealer agent with Merrill Lynch, Pierce, Fenner & Smith Inc. from April 11, 2016 through February 13, 2018. EAKES was also the sole owner of GraySail Advisors, LLC (“GraySail”) (CRD #299216), an investment adviser firm based in Jacksonville, Florida that was not registered in the State of Alabama.

STATEMENT OF FACTS

2. On or about March 16, 2020, the Commission received information that JAMES BLAKE DAUGHTRY (“DAUGHTRY”) (CRD #3272282), an Alabama-registered investment adviser representative and broker dealer agent based in Dothan, Alabama, had been in the process of selling his advisory business to GraySail, and that at least one of DAUGHTRY’s clients had discovered that the securities in their account had been liquidated without the client’s knowledge or permission.

3. An investigation undertaken by the Commission determined that in 2019, DAUGHTRY agreed to sell his business to GraySail. Pursuant to the agreement, several of the accounts owned by DAUGHTRY’s clients, most of whom were Alabama residents, were moved to GraySail. The Commission further determined that EAKES subsequently converted to his own

use approximately \$2 million of DAUGHTRY's former clients' funds, mostly by using the assets in the former clients' accounts to purchase fabricated promissory notes issued by a company EAKES lacked authority to act on behalf of.

CONCLUSIONS OF LAW

4. Pursuant to Section 8-6-3(j)(6), of the Code of Alabama, 1975, the Commission may, by order, bar any broker dealer agent or investment adviser as to any function or activity of the business for which registration is required in this state if the Commission finds that the order is in the public interest and that the broker dealer or investment adviser has willfully violated or failed to comply with any provisions of the Act. In connection with his theft of customer funds, EAKES violated Section 8-6-17(a) and (b) of the Code of Alabama, 1975, relating to fraudulent, deceitful, dishonest or unethical practices. Also, on September 29, 2022, the U.S. Securities and Exchange Commission charged EAKES in a civil complaint filed in the United States District Court for the Middle District of Florida with violating Sections 17(a)(1) and (3) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rules 10b-5(a) and (c) thereunder, and Sections 206(1) and (2) of the Investment Advisers Act of 1940 in connection with his conduct relating to GraySail.

This Order does not prevent the Commission from seeking such other 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.

ACCORDINGLY, IT IS HEREBY ORDERED that the **RESPONDENT** be **BARRED** from registration, or engaging in securities activities into, within, or from the state of Alabama.

Entered at Montgomery, Alabama, this 28th day of September, 2022.



ALABAMA SECURITIES COMMISSION
P.O. Box 304700
Montgomery, AL 36130-4700
(334) 242-2984

BY:

A handwritten signature in black ink, appearing to read "JP Borg", is written over a horizontal line. A long, sweeping flourish extends from the bottom left of the signature.

JOSEPH P. BORG
Director