

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
WALLSTREET ASSOCIATES, INC.)
JERRY L. HALL)
)
_____RESPONDENTS)

ADMINISTRATIVE ORDER
NO. CD-2001-0008

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities 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. WALLSTREET ASSOCIATES, INC. ("RESPONDENT WALLSTREET"), is represented to be an Alabama corporation, allegedly formerly named Hall & Company, with a business address of 6704 Grasselli Road, Rivers Plaza Suite 3, Fairfield, AL 35064.

2. JERRY L. HALL ("RESPONDENT HALL"), is represented to be the president of RESPONDENT WALLSTREET, with a business address of 6704 Grasselli Road, Rivers Plaza Suite 3, Fairfield, AL 35064.

STATEMENT OF FACTS

3. On April 22, 1999, RESPONDENT HALL electronically filed a Form BD, through the National Association of Securities Dealers, Inc., Central Registration Depository ("NASDCRD"), for registration of his company, Hall & Company (**NOTE:**

The Commission staff received notification on May 17, 2000 that the name of Hall & Company was allegedly changed to RESPONDENT WALLSTREET) as a dealer in the state of Alabama. On May 3, 1999, a letter was dispatched to RESPONDENT which enumerated certain documentation and information, to include a statement concerning any prior sales activity in Alabama, that must be provided as part of the application for registration. RESPONDENT was advised that failure to file a complete application may result in denial of the application and that the notification constituted an Order of the Commission deferring the registration effective date until such time as all deficiencies were resolved and an Order of Registration issued. Receiving no response to the May 3, 1999 letter, on June 17, 1999 a tracer letter was dispatched to RESPONDENT HALL with advice substantially that the Commission staff would consider a withdrawal of the application; however, if no response was received within 14 days of his receipt of the letter, the Commission staff intended to initiate denial proceedings.

4. On June 29, 1999, the Commission staff received an incomplete response to the May 3, 1999 and June 17, 1999 letters. Included in this response was information that **"This statement will confirm that (Jerry Hall) has not previously engaged in any securities sales activities and is not currently engaged in any securities sales activities. Furthermore, (Hall & Co.) will refrain from engaging in any securities sales activities until it has received approval from NASD Regulation, Inc."** NOTE: Hall & Co. received NASD approval on December 8, 1999. On August 2, 2000, RESPONDENT HALL was again advised of his incomplete response to the deficiencies previously enumerated to him in the May 3, 1999 and June 17, 1999 letters; was advised that it was unlawful for any person to transact business in this state as a dealer for securities unless he is registered pursuant to Section 8-6-3 , Code of Alabama 1975, that he was to immediately contact the Commission staff upon receipt of the letter to schedule a meeting to resolve the registration issued, and failure to respond within 10 days may result in the issuance of a Cease and Desist Order.

5. On August 8, 2000, RESPONDENT HALL met with the Commission staff, in the offices of the Alabama Securities Commission to discuss the registration issues. He was informed that RESPONDENT WALLSTREET was not registered as a dealer in Alabama and that any broker/dealer activity conducted prior to registration would constitute felony violation of the Alabama Securities Act.

6. By letter, dated August 10, 2000, RESPONDENT HALL furnished some information and documents; however, the response was still incomplete. Included with the response was a listing of 21 clients of RESPONDENT WALLSTREET who made purchases in a mutual fund named Van Kampen Funds. No dates of the transactions were reflected, and no client addresses were furnished. By letter, dated August 28, 2000, RESPONDENT HALL was requested to furnish the additional information and documents, to include the addresses and account statements for clients of RESPONDENT WALLSTREET, within 14 days of his receipt of the letter.

7. By letters, dated August 30, 2000, October 6, 2000 and January 5, 2001, RESPONDENT HALL furnished additional information and documents. Included were statements from February 5, 2000 to July 28, 2000 and from November 18, 2000 to December 15, 2000, which reflected numerous Van Kampen Funds purchases in the names of the clients.

8. On October 4, 2000, an examination was conducted by the Commission staff of the books and records of RESPONDENTS. RESPONDENT HALL was interviewed and he advised that his sales are comprised of 100% mutual fund products; that his clients make their investment checks payable to the mutual fund companies, and he mails the checks and account paperwork to the mutual fund companies. Further, his commissions from the mutual fund companies are deposited into RESPONDENT WALLSTREET's account, from which he is compensated. Review of available documents revealed that RESPONDENTS have been effecting securities transactions with Alabama clients without benefit of registration since at least February 2000, and, since the August 8, 2000 meeting with the Commission staff, during which

RESPONDENT HALL was advised that conducting broker/dealer activities without being registered was a felony violation of the Alabama Securities Act, has opened at least an additional 6 client accounts. **NOTE: Transaction information received from RESPONDENT HALL on January 5, 2001 reflects transactions were effected in client accounts during the period November 18, 2000 to December 15, 2000.**

9. Review of the computer files of the Secretary of State, Corporations, Montgomery, AL, disclosed no record of the incorporation of, organization of, or qualification of RESPONDENT WALLSTREET, in the state of Alabama.

10. Review of the files of the Commission, disclosed no record of registration or exemption from registration of RESPONDENTS WALLSTREET or HALL as a dealer or agent in the state of Alabama. The Commission files did reflect that on May 5, 1997, RESPONDENT HALL, as president of Hall Alokian and Associates, Inc., filed an application for registration as a dealer for that entity. After not resolving outstanding deficiencies, on April 8, 1998 RESPONDENT HALL requested withdrawal of the application which was approved on April 13, 1998.

CONCLUSIONS OF LAW

11. RESPONDENTS are not registered nor exempt from registration as a dealer or agent in the state of Alabama, and have effected securities transactions with residents of the state of Alabama.

12. Transacting business in the state of Alabama as a dealer or agent, without benefit of registration or exemption from registration, is a violation of Section 8-6-3(a), Code of Alabama 1975.

13. RESPONDENTS have filed an application for registration which, as of its effective date, or as of any date after filing, was incomplete or contained a false statement, i.e. reflected on application documents the name of RESPONDENT

WALLSTREET as Wallstreet Associates, Inc., when in fact no incorporation has been effected in the state of Alabama.

14. The filing of an application for registration, containing a false statement, is a violation of Section 8-6-3(j)(1), Code of Alabama 1975.

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

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

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 15th day of Feb., 2001.



ALABAMA SECURITIES COMMISSION
770 Washington Avenue, Suite 570
Montgomery, AL 36130-4700
(334) 242-2984
BY:

A handwritten signature in black ink, which appears to read "Joseph P. Borg", is written over a horizontal line. Below the signature, the name "JOSEPH P. BORG" and the title "Director" are printed in a sans-serif font.

JOSEPH P. BORG
Director