

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

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

ADMINISTRATIVE ORDER  
NO. CO-2001-0008

CONSENT 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 ("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:

RESPONDENTS

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 issue, 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

the state of Alabama and that any broker/dealer activity conducted prior to registration would constitute felony violation of the 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 Alokan 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.

11. On February 1, 2001, a Cease and Desist Order was issued to RESPONDENTS WALLSTREET and HALL alleging violations of Sections 8-6-3(a) and 8-6-3(j)(1), Code of Alabama 1975, for transacting securities activities in the state of Alabama while unregistered, and for filing an application containing a false statement.

12. On February 20, 2001, at the request of RESPONDENT HALL, an informal meeting was with the Commission staff. RESPONDENT HALL advised that it was his understanding that, inasmuch as he was registered with the NASD, he was not required to be registered separately in the state of Alabama. As a result of this meeting, it was the determination of the Commission staff that RESPONDENTS WALLSTREET and HALL would be **conditionally** registered to transact securities activities in the state of Alabama. A "Conditional Registration" is attached to and made a part of this Consent Order. Also attached and made a part of this Consent Order is a "Request Information To Be Reflected On Record" that RESPONDENT HALL requested be included.

CONCLUSIONS OF LAW

13. RESPONDENTS WALLSTREET and HALL 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.

14. 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.

15. RESPONDENTS WALLSTREET and HALL 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.

15. 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.

**WHEREAS**, RESPONDENTS WALLSTREET and HALL admit that securities transactions were effected in the state of Alabama prior to registration, and state that the information and assertions presented to the Commission during its investigation of this matter are true and correct; that RESPONDENTS understand the Commission relied upon such information and assertions in its determination to accept this Order, and that should information or assertions prove to be incorrect or misrepresented, the Commission may seek such other administrative, civil or criminal remedies that may be available to it under the provisions of the Act, and

**WHEREAS**, RESPONDENTS WALLSTREET and HALL have voluntarily waived all rights to a hearing upon entry of this Order and have consented to the entry of this Order, and

**WHEREAS**, the Commission finds this Order necessary and appropriate in the public interest for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act, and

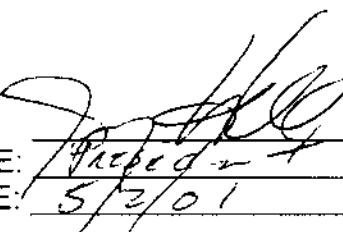
**WHEREAS**, THE Commission and RESPONDENTS are desirous of settling this matter as hereafter set forth and agree to the entry of this Order,

**ACCORDINGLY, IT IS HEREBY ORDERED:**

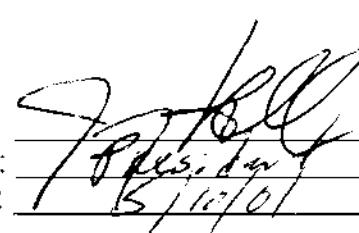
1. That RESPONDENTS shall, until such time as properly registered in the state of Alabama, refrain from effecting securities transactions into, within or from the state of Alabama.
2. That RESPONDENTS shall ensure that proper procedures are enacted to preclude any future non-compliance with the Act.
3. That in accordance with Section 8-6-19(j)(1), Code of Alabama 1975, RESPONDENTS WALLSTREET and HALL shall pay to the **state of Alabama** an administrative assessment in the sum of Two Hundred and Fifty Dollars (\$250), said funds to be tendered in certified funds contemporaneously with the entry of this Order.
4. That in accordance with Section 8-6-19(k)(1), Code of Alabama 1975, RESPONDENTS WALLSTREET and HALL shall pay to the **Alabama Securities Commission**, as partial reimbursement for the Commission's cost for investigating this matter, the sum of Two Hundred and Fifty Dollars (\$250), said funds to be tendered in certified funds contemporaneously with the entry of this Order.
5. That the entry of this Consent Order resolves the Cease and Desist Order, Administrative Order No. CD-2001-0008, issued to RESPONDENTS WALLSTREET and HALL on February 1, 2001.

AGREED AND CONSENTED to on dates indicated:

RESPONDENTS  
WALLSTREET ASSOCIATES, INC.

BY:   
TITLE: ~~President~~  
DATE: 5/3/01

JERRY L. HALL

BY:   
TITLE: ~~President~~  
DATE: 5/10/01

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APPROVED AND ORDERED this 1st day of June, 2001

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

BY:

  
JOSEPH P. BORG  
Director