

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)

)

RODNEY HOWARD LANKFORD)

)

)

RESPONDENTS)

ADMINISTRATIVE ORDER

NO. CO-2003-0020

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:

RESPONDENT

1. RODNEY HOWARD LANKFORD ("LANKFORD") had been registered in the state of Alabama, as a securities agent of the registered dealer RAYMOND JAMES, since January 4, 1999, with a business address of 1902 Rainbow Drive P. O. Box 8606, Gadsden, Alabama 35901.

STATEMENT OF FACTS

2. On August 28, 2003, the Commission issued an Order to Show Cause why registration as a broker / dealer agent should not be suspended or revoked (the "Show Cause Order"). The Show Cause Order was based upon findings that LANKFORD had violated the provisions of Section 8-6-3(j)(7), Code of Alabama 1975. LANKFORD engaged in dishonest or

unethical practices in the securities business, to wit: executing transactions, which his associated broker-dealer RAYMOND JAMES represented were unauthorized.

3. In addition, LANKFORD engaged in dishonest or unethical practices in the securities business by “selling away” clients, which is the practice whereby, a representative sells securities not approved by his Broker Dealer. LANKFORD sold unregistered interests in the Gadsden LP Private Placement investment.

4. Pursuant to the provisions of Section 8-6-3(j)(6), Code of Alabama 1975, the Commission may suspend, revoke, censor or bar any registrant from employment with a securities dealer if the Commission finds that the Order is in the public interest, and that the registrant has violated or failed to comply with any provision of the Alabama Securities Act, or any rule or order issued by the Commission, or has failed to reasonably supervise registrants.

5. LANKFORD and his broker/dealer Raymond James have responded to the Show Cause Order. In their response, LANKFORD and Raymond James have satisfactorily explained the circumstances related to LANKFORD’S involvement in this matter. LANKFORD asserts that he did authorize the use of the Raymond James office conference room for sales meetings, by a party unaffiliated with Raymond James. However, no evidence has been located that LANKFORD received any compensation as a result of the investments made by attendees of the sales presentation.

6. Furthermore, LANKFORD admits the meeting was attended by several of his Raymond James clients at his invitation. The invitation and execution of the meetings were unknown to and unapproved by Raymond James. LANKFORD indicates that he now understands such activity is prohibited under the provisions of Section 8-6-3(j)(6).

7. LANKFORD has entered into an agreement with Raymond James whereby he shall relinquish his position as a Principal in the Gadsden Raymond James Branch Office. LANKFORD has also submitted to increased supervision and review requirements implemented by Raymond James.

CONCLUSIONS OF LAW

8. The Commission finds there was no intent on the part of LANKFORD to engage in dishonest or unethical practices in the securities business

9. In addition, the actions that are the subject of the Show Cause Order, although reportable, do not demonstrate that LANKFORD actually engaged in any fraudulent activity. LANKFORD'S actions during the arbitration process demonstrated that he accepted responsibility for his part in this matter. All known complaints have now been resolved by settlement and dismissed.

WHEREAS, LANKFORD admits that a sale of Gadsden LLP securities was effected in the state of Alabama, and states that the information and assertions presented to the Commission during its investigation of this matter are true and correct; that LANKFORD understands 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.

WHEREAS, LANKFORD has voluntarily agreed to waive all rights to a hearing upon entry of this Order and has 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 LANKFORD are desirous of settling this matter as hereafter set forth and agree to the entry of this Order,

ACCORDINGLY, IT IS HEREBY ORDERED as follows:

1. For a period of twenty-four (24) months from the date of this Final Order, LANKFORD will be subject to the following requirements by the Commission:

A. LANKFORD shall receive strict supervision as an agent by an NASD registered principal of Raymond James, located in Gadsden, Alabama.

B. LANKFORD shall not act in a supervisory principal or managerial capacity with respect to any account of an Alabama resident.

C. LANKFORD shall not exercise any discretionary authority over Alabama customer accounts.

D. LANKFORD will not engage in any activity prohibited by the Alabama Securities Act and its rules.

E. Any future sanctions of LANKFORD imposed by another jurisdiction, any self regulatory organization, any exchange, the Securities and Exchange Commission or National Association of Securities Dealers will result in this entire matter being reviewed by the Commission staff, including, but not limited to, those matters referenced in the Show Cause Order.

F. Any customer complaint involving LANKFORD that is received by the Commission staff from an Alabama resident will result in this entire matter being reviewed by the Commission staff, including, but not limited to, those matters referenced in the Show Cause Order.

G. LANKFORD shall immediately notify the Commission staff of any civil or criminal action, arbitration or investigation instituted against him.

H. LANKFORD and Raymond James shall notify the Commission staff, within 30 days of receipt, of any oral or written customer complaint concerning LANKFORD received at the Raymond James Gadsden, Alabama Branch Office, or any other office.

I. LANKFORD and Raymond James acknowledge that the failure of LANKFORD or Raymond James to satisfy any duty set forth in this agreement may result in the issuance of disciplinary action against the responsible supervisor and the firm.

J. As long as the conditions enumerated in this agreement are in effect, Raymond James will not transfer the registration of LANKFORD to another broker-dealer pursuant to a mass transfer without prior approval of the Alabama Securities Commission.

K. Raymond James will promptly notify the Securities Commission of any termination of agent registration or employment of LANKFORD.

2. That in accordance with Section 8-6-19(j)(1), Code of Alabama 1975, LANKFORDS shall pay to the **state of Alabama** an administrative assessment in the total sum One Thousand Dollars (\$1,000), said funds to be tendered in certified funds contemporaneously with the entry of this Order.

3. That in accordance with Section 8-6-19(k)(1), Code of Alabama 1975, LANKFORDS shall pay to the **Alabama Securities Commission**, as partial reimbursement for the Commission's cost for investigating this matter, the sum of Five Hundred Dollars (\$500), said funds to be tendered in certified funds contemporaneously with the entry of this Order.

4. That the entry of this Order resolves the Cease and Desist Order, Administrative Order No. SC-2003-091, issued September 22, 2000, as it applies to LANKFORD only.

AGREED AND CONSENTED to on dates indicated:

Rodney H. Lankford
RODNEY HOWARD LANKFORD

12-23-03
Date

Raymond James Financial Services Inc

Michael J. [Signature]
Authorized Signatory

1-6-04
Date

Based upon good cause shown and the conditions previously enumerated in this Order, Order to Show Cause Why Registration as a Broker/Dealer Agent Should Not Be Suspended or Revoked, Administrative Order SC-2003-0020, dated August 28, 2003 is hereby resolved.

Entered at Montgomery, Alabama this the 23rd day of January 2004.



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

BY: [Signature]
JOSEPH P. BORG
Director