

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:	)	
	)	
JOHN WESLEY WOODRUFF, JR.	)	ADMINISTRATIVE ORDER
	)	NO. OB- 2005-0042
<u>RESPONDENT</u>	)	

ORDER TO BAR AS SUPERVISOR

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, 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. JOHN WESLEY WOODRUFF, JR. ("WOODRUFF") (CRD # 2625285) is the Chief Compliance Officer of Aura Financial Services, a Broker-Dealer registered in the state of Alabama. CRD indicates WOODRUFF has the following exams: S4- Options, S7- Rep, S8- General Securities Sales Supervisor, S24- General Securities Principal, S53- Municipal Securities Principal, and S63- Agent. CRD further indicates that his employment with AURA ended on February 16, 2010. He has not attempted to re-register.

STATEMENT OF FACTS

2. On March 15, 2008, a complaint was filed with Aura Financial Services against Aura and former Aura representative Michael Dembin (CRD # 1874815), alleging unauthorized trading in a non-discretionary trust account during August and September of 2007. Two of the trades were purportedly executed after the death of the trustee.

3. In a letter to the complainant, dated April 17, 2008, WOODRUFF stated that an internal investigation had been conducted and that no violations of securities practices were noted.

4. On February 24, 2009, a complaint was filed with the Alabama Securities Commission ("Commission") against Aura and Dembin concerning the unauthorized transactions.

5. On June 4, 2009 Commission staff interviewed WOODRUFF at his office located at 181 W. Valley Rd, Birmingham, AL, to determine WOODRUFF's actions in response to the complaint. WOODRUFF reiterated that no improper actions occurred because he reviewed the account statements, opening account documents, and trade confirmations. WOODRUFF further stated that Dembin had been unresponsive to Aura's requests for information, and resigned when questioned about the complaint. WOODRUFF, however, could not produce evidence of the investigation, or provide any justification for the trading activity in the account.

6. CRD records reveal that a similar complaint was filed against Dembin during his previous employment; however, Aura did not place Dembin on any type of heightened supervision, or monitor his trading activity.

7. On June 11, 2009, an Amended Show Cause Order (Order No. 2005-42A) was issued against Aura Financial Services, Timothy Gautney, Lloyd Gilford King, and John Wesley Woodruff, Jr.

8. On November 12, 2009, an informal meeting was held between WOODRUFF and the Commission staff. At the meeting, WOODRUFF stated that he would produce documentary information to defeat the allegations contained in the Order. As of the date of this Order, the Commission has not received this information. Consequently, the allegations set forth in the June 11, 2009 Amended Order remain un-refuted.

CONCLUSIONS OF LAW

9. Pursuant to Section 8-6-3(j)(10), Code of Alabama 1975, the Commission may suspend, revoke, censor or bar any registrant or any officer, director, partner or person occupying a similar status or performing similar functions for a registrant, from employment with a dealer or investment advisor, or restrict or limit a registrant 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 registrant or, in the case of a dealer or investment advisor, any partner, officer

or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the dealer or investment advisor, has failed reasonably to supervise his agents or employees if he is a dealer. WOODRUFF failed to reasonably to supervise Dembin by allowing the unauthorized trades in the non-discretionary trust account.

10. Pursuant to Section 8-6-3(j)(2), Code of Alabama 1975, the Commission may suspend, revoke, censor or bar any registrant or any officer, director, partner or person occupying a similar status or performing similar functions for a registrant, from employment with a dealer or investment advisor, or restrict or limit a registrant 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 registrant or, in the case of a dealer or investment advisor, any partner, officer or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the dealer or investment advisor, has willfully violated or willfully failed to comply with any provisions of this article, or a predecessor act, or any rule or order under this article, or a predecessor act. The following rule violation demonstrate WOODRUFF's violation of Section 8-6-3(j)(2):

a. Commission Rule 830-X-3-.13(3)(e) provides that, as part of its responsibility under the rule, every dealer, issuer or investment adviser shall establish, maintain and enforce written procedures relating to the prompt review and written approval of the handling of all customer complaints. WOODRUFF failed to conduct independent review or investigation of customer complaints instead depending on the registered representative to give the basis of denying a claim. The files were incomplete and did not meet the standards outlined in the Aura's WSP.

ACCORDINGLY, IT IS HEREBY ORDERED:

1. That **WOODRUFF** shall not supervise agents registered in Alabama, or any person managing an account of an Alabama resident.

2. That **WOODRUFF** shall not serve as Compliance Officer or Chief Compliance Officer in Alabama, or provide compliance functions relative to any agents registered in Alabama, or any person managing an account of an Alabama resident.

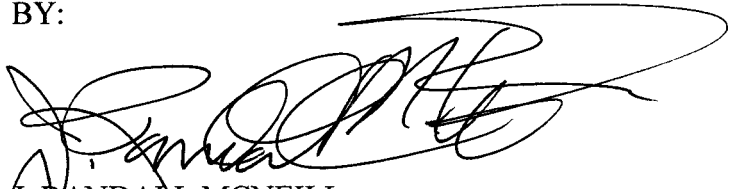
This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Act.

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

Entered at Montgomery, AL, this 23rd day of June, 2011.

ALABAMA SECURITIES COMMISSION

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BY:



J. RANDALL MCNEILL
Deputy Director

