

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF)
BAYOU SECURITIES, LLC) **ADMINISTRATIVE ORDER**
SAMUEL ISRAEL, III) **NO. SC-2005-0043**

RESPONDENTS)

SHOW CAUSE 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, has determined as follows:

RESPONDENTS

1. BAYOU SECURITIES, LLC ("BAYOU"), Central Registration Depository ("CRD") # 39323, is represented to be a Connecticut LLC, registered as a broker-dealer in Alabama continuously since July 16, 2002, with a business address of 40 Signal Road, Stamford, Connecticut 06902.

2. SAMUEL ISRAEL, III ("ISRAEL"), CRD # 1926977, is represented to be the Managing Member and Chief Compliance Officer of BAYOU and has been registered as a broker-dealer agent in the State of Alabama continuously since July 26, 2002, with a business address of 40 Signal Road, Stamford, Connecticut 06902.

STATEMENT OF FACTS

3. On January 10, 2002 BAYOU submitted an electronic application via CRD for broker-dealer registration in Alabama.
4. On July 16, 2002, BAYOU were registered as a broker-dealer in Alabama.
5. On August 19, 2005 the National Association of Securities Dealers (“NASD”) filed a “Notice of Intent to Suspend” against BAYOU for failure to pay fees assessed in NASD Arbitration

6. On September 8, 2005, the NASD suspended BAYOU for failure to pay the aforementioned fees.

CONCLUSIONS OF LAW

7. Pursuant to Section 8-6-3(j)(6), Code of Alabama 1975, the Commission may by order revoke or suspend any registration in this State if the Commission finds that the order is in the public interest and that the dealer is the subject of an order by securities agency or national securities association. BAYOU, having been suspended by the NASD on September 8, 2005, is subject to this revocation or suspension.

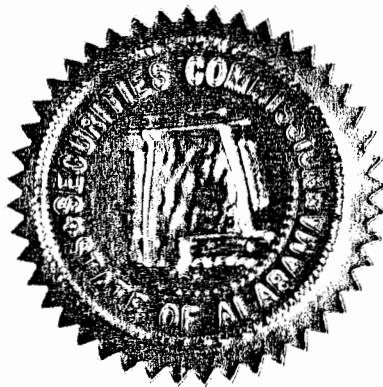
This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

Further, 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.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENT, BAYOU SECURITIES, LLC demonstrate why its registration as a broker-dealer in the State of Alabama should not be suspended or revoked.

IT IS ALSO ORDERED that RESPONDENT SAMUEL ISRAEL, III demonstrate why his registration as a broker-dealer agent in the State of Alabama should not be suspended or revoked.

Entered at Montgomery, Alabama this the 07 day of September, 2005.



ALABAMA SECURITIES COMMISSION
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BY:

JOSEPH P. BORG
Director