

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF

**WESTROCK ADVISORS, INC.
KENNETH A. CHAPMAN
DONALD H. HUNTER, JR.
EDNA CHOI LAW
REES R. WAGNER
ANDREW SHAPIRO**

RESPONDENTS

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) **ADMINISTRATIVE ORDER**

) **NO. CD- 2009- 0027**
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CEASE AND DESIST

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Code of Alabama 1975, Title 8, Chapter 6, the Alabama Securities Act, upon due consideration of the subject matter hereof and having confirmed information of the offer for sale and/or sale of securities, into, within or from the state of Alabama, by RESPONDENTS, without benefit of registration in the state of Alabama, has determined as follows:

RESPONDENTS

1. WESTROCK ADVISORS, INC. ("WESTROCK"), Central Registration Depository ("CRD") # 114338, is a New York domiciled broker dealer with a business address of 230 Park Avenue, New York, NY 10169.

2. KENNETH A. CHAPMAN ("CHAPMAN"), CRD # 4384436, was represented to be a broker dealer agent of WESTROCK, from September 21, 2004 through November 12, 2004, with a business address of 230 Park Avenue, New York, NY 10169. National CRD records

maintained by the Commission reflect that CHAPMAN has never been registered in the state of Alabama as a broker-dealer agent with WESTROCK.

3. DONALD H. HUNTER, JR. ("HUNTER"), CRD # 1849030, was represented to be a broker dealer agent of WESTROCK, with a business address of 230 Park Avenue, New York, NY 10169, at all times relevant to this matter. National CRD records maintained by the Commission reflect that HUNTER has never been registered in the state of Alabama as a broker-dealer agent with WESTROCK.

4. EDNA CHOI LAW ("LAW"), CRD # 1002997, was represented to be a broker dealer agent of WESTROCK, with a business address of 230 Park Avenue, New York, NY 10169, at all times relevant to this matter. National CRD records maintained by the Commission reflect that LAW has never been registered in the state of Alabama as a broker-dealer agent with WESTROCK.

5. REES R. WAGNER ("WAGNER"), CRD # 456495, was represented to be a broker dealer agent of WESTROCK, with a business address of 230 Park Avenue, New York, NY 10169, at all times relevant to this matter. National CRD records maintained by the Commission reflect that WAGNER has never been registered in the state of Alabama as a broker-dealer agent with WESTROCK.

6. ANDREW SHAPIRO ("SHAPIRO"), CRD # 1104658, was represented to be the compliance director of WESTROCK, with a business address of 230 Park Avenue, New York, NY 10169, at all times relevant to this matter. SHAPIRO, in his capacity as the compliance director of WESTROCK, provided information to the Commission in response to the Commission's inquiry into this matter (see Statement of Facts, paragraph number 10).

STATEMENT OF FACTS

7. On July 24, 2001, WESTROCK submitted an application via CRD for registration as a broker-dealer in the state of Alabama.

8. On August 9, 2001, the Commission staff issued a Deficiency letter to WESTROCK.

9. On September 19, 2001, the Commission staff issued an Intend to Deny letter to WESTROCK for failure to respond to the August 9, 2001 deficiency letter.

10. On November 20, 2001, the Commission staff received a request from WESTROCK requesting deferral of broker dealer registration to the year 2002 because of pending NASD membership approval.

11. On May 6, 2002, the Commission staff received a response from WESTROCK to the August 9, 2001 deficiency letter stating that the firm has not made sales in the state of Alabama prior to its registration as a broker dealer.

12. On May 15, 2002, a visitation letter was issued to WESTROCK's clearing firm, Correspondent Services Corporation ("Correspondent Services").

13. On May 15, 2002, a Continued Deficiency letter was issued to WESTROCK regarding the disciplinary history of HUNTER and Gregory Martino.

14. On June 4, 2002, the Commission received a response from Correspondent Services stating that their records reflected one account with WESTROCK for an Alabama resident, opened on April 12, 2002, but with no activity for the account.

15. On February 3, 2004, WESTROCK withdrew its application for registration without having been approved as a broker dealer in the state of Alabama.

16. On February 20, 2007, WESTROCK submitted a subsequent application via the CRD for registration as a broker-dealer in the state of Alabama.

17. On March 5, 2007, the Commission staff issued a deficiency letter to WESTROCK requesting a statement of prior activity, among other items. On April 5, 2007, the Commission staff issued an intend to deny letter to WESTROCK for failure to respond to the Commission staff's deficiency letter of March 5, 2007.

18. On May 3, 2007, the Commission staff received documentation from Andrew Shapiro, Compliance Director of WESTROCK. Included in the documentation was a statement that Mr. Shapiro was unaware of any prior activity in the state of Alabama by WESTROCK.

19. On May 7, 2007, the Commission staff issued a visitation letter to National Financial Services LLC ("National"), the clearing firm for WESTROCK.

20. On June 1, 2007, the Commission staff received a response from National reflecting that WESTROCK executed the following securities transactions with Alabama clients: through broker-dealer agent HUNTER, one (1) securities transaction, on September 14, 2004, with a Montgomery resident; through broker-dealer agent CHAPMAN, six (6) securities transactions, on September 29, 2004 and November 23, 2004, with an Anniston resident; through broker-dealer agent LAW, four (4) securities transactions, on November 22, 2004, October 25, 2006, October 31, 2006 and November 8, 2006, with a Guntersville resident (subsequent documentation reflects that the Guntersville client was in fact a resident of the state of Virginia at the time of these securities transactions); and, through broker-dealer agent WAGNER, four (4) securities transactions, on April 4, 2007, with an Anniston resident. The response from National also reflected that on January 12, 2005 and January 31, 2005, two (2) securities transactions were executed with a Birmingham client.

21. On June 12, 2007, the Commission staff issued a continued deficiency letter to WESTROCK asking the firm to provide all account documents which would establish the dates the Alabama residents' accounts were opened, the clients' residency at the time, and the dates the clients relocated to Alabama.

22. On July 16, 2007, the Commission staff issued an intend to deny letter to

WESTROCK for failure to respond to the Commission staff's June 12, 2007 continued deficiency letter.

23. On September 12, 2007, the Commission staff received a response from Mr. Andrew Shapiro, Compliance Director, of WESTROCK, to the June 12, 2007 deficiency letter. SHAPIRO's response stated that the Guntersville resident's accounts were opened while he resided in Virginia in December 2003 before he moved to Alabama in March 2007. SHAPIRO's response stated that the Anniston resident's account information was lost in the World Financial Center on 9/11/2001, but that no business was generated in the account in 2006 or 2007. SHAPIRO's response further stated that the Eufaula resident's account was opened in January 2003, but that no business was generated in the account in 2006 or 2007. SHAPIRO provided no information concerning the Eufaula resident's state of residency at the time he opened the account. Furthermore, no information was provided concerning the fourth account, which is identified herein as belonging to the Birmingham client.

24. On December 17, 2007, the Commission staff received via email a response from WESTROCK. Information provided included customer account statements for the Guntersville resident which reflected that securities transactions were effected on June 14, 2007 and July 26, 2007. On April 3, 2008, National submitted documents verifying these transactions.

25. On August 9, 2009, a visitation letter was sent to National requesting transactions from December 1, 2007 to the present.

26. On September 22, 2009 the Commission staff received a response from National that WESTROCK effected one security transaction on August 20, 2009 for the Eufaula resident.

CONCLUSIONS OF LAW

27. Code of Alabama 1975, §8-6-3(a) provides: "It is unlawful for any person to transact business in this state as a dealer or agent for securities unless he is registered under this article." WESTROCK, through CHAPMAN, HUNTER, LAW AND WAGER, effected sixteen

(16) securities transactions generating commissions of \$1,483.55 with five Alabama residents without benefit of registration in the State of Alabama in violation of Code of Alabama 1975, §8-6-3(a). (Commission total does not include commissions generated while the Gunterville client was a resident of Virginia).

28. Code of Alabama 1975, §8-6-3(a) provides: "It is unlawful for any person to transact business in this state as a dealer or agent for securities unless he is registered under this article." HUNTER, CHAPMAN, LAW and WAGNER, acting as agents, effected sixteen (16) securities transactions with five Alabama residents generating total commissions of \$1,483.55 without benefit of registration in the State of Alabama in violation of Code of Alabama, 1975, §8-6-3(a).

29. Code of Alabama 1975, §8-6-3(a), prohibits any dealer from employing any agent unless the agent is registered. WESTROCK employed HUNTER, CHAPMAN, LAW and WAGNER as agents without benefit of registration for the offer and sale of securities in Alabama in violation of Code of Alabama, 1975, §8-6-3(a).

30. Pursuant to Code of Alabama 1975, §8-6-3(j)(10), the Securities Commission may by order censor any applicant for registration or any officer, partner or person occupying a similar status if the Commission finds that the Order is in the public interest and that the applicant or registrant has failed reasonably to supervise his agents or employees. SHAPIRO, acting as Chief Compliance Officer, failed to reasonably supervise CHAPMAN, HUNTER, LAW and WAGNER by allowing the agents to effect securities transactions with Alabama residents without benefit of agent registration in the State of Alabama, and, further, SHAPIRO, acting as Chief Compliance Officer, failed to provide complete and accurate information in response to the Commission's inquiries concerning WESTROCK's prior securities transactions in violation of Code of Alabama, 1975, §8-6-3(j)(10).

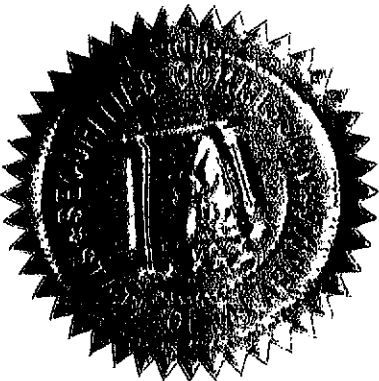
This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

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

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the RESPONDENTS to make a timely request for hearing, or default of the RESPONDENTS, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, inter alia, an administrative assessment imposed on RESPONDENTS, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against RESPONDENTS, and a permanent order to bar RESPONDENTS from participation in any securities related industry in the state of Alabama.

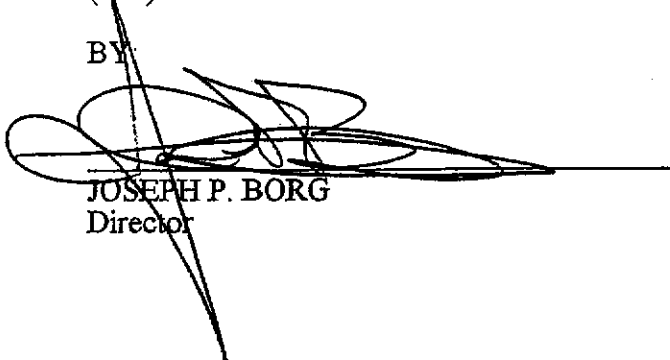
ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, AL, this 25th day of September, 2009.



ALABAMA SECURITIES COMMISSION
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BY


JOSEPH P. BORG
Director