

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF: )  
 )  
DAVID DARRELL ANTHONY ) ORDER TO BAR  
 ) NO. OB-2013-0001  
 )  
RESPONDENT )

**ORDER TO BAR**

The Alabama Securities Commission ("Commission"), having 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. **DAVID DARRELL ANTHONY ("ANTHONY")** at all times relevant was a registered representative (CRD# 4671195) with a Certified Public Accountant with the firm Anthony Financial Group, having a commercial address of 758 St. Michael Street, Mobile, Alabama, 36602.

**STATEMENT OF FACTS**

2. A review of the Commission files revealed that ANTHONY was employed as a registered representative (CRD# 4671195) for the broker-dealer, Multi-Financial Securities Corporation, currently Cetera Advisors, LLC, (CRD #10299), from June 2, 2003, until his withdrawal from registration on November 19, 2010.

3. According to the Alabama State Board of Public Accountancy online database, ANTHONY is an active licensee (#1551) as a Certified Public Accountant.

4. According to the Alabama Secretary of State's office, online database, The Anthony Financial Group, CPA's, Inc, was formed by ANTHONY in July, 2008 and is currently active.

5. Information made available to the Commission revealed that in March 2010, while preparing the income taxes for a Citronelle, Alabama, resident, and a Multi-Financial Securities client, ANTHONY made an investment solicitation in a promissory note issued by Integrity Capital, LLC.

6. ANTHONY represented to the Alabama resident that an investment in the Integrity Capital promissory notes would be "backed by federal government vouchers" making it "safe and secure."

7. Information made available to the Commission revealed that in April 2010, while preparing the income taxes for a Mobile, Alabama, resident, ANTHONY made an investment solicitation in a promissory note issued by Integrity Capital, LLC.

8. Again, ANTHONY made representations to the Alabama resident that he was familiar with the principal of Integrity Capital, and the promissory notes were backed by federal government vouchers making them safe and secure.

9. In both circumstances ANTHONY facilitated the issuance of an Integrity Capital Promissory Note, to two Alabama investors as well as conveying the bank wiring instructions to transfer their investor funds to Integrity Capital, LLC.

10. The Integrity Capital promissory notes promised a return of 9% interest with distributions paid in quarterly installments and the principal to be paid upon maturity.

11. At no time did ANTHONY provide the investors with due diligence material such as offering memoranda or private placement materials for their review.

12. As a result of ANTHONY's solicitation, the two Alabama investors transferred a bulk of their retirement savings to Integrity Capital, LLC, and their

individual investments were memorialized with a three (3) year Promissory Note issued by Integrity Capital, LLC.

13. According to the Alabama Secretary of State's office online database, Integrity Capital is a Shelby County, Alabama, Domestic Limited Liability Company, formed by Christopher Shawn Linton and Brandon L. Blankenship on January 22, 2009.

14. A review of the Commission files conducted in December 2011, disclosed neither registration nor an exemption from registration to offer and/or sell securities in Alabama for the issuer Integrity Capital, LLC.

15. In addition, the Commission files revealed no registration nor an exemption from registration for the Promissory Notes solicited by ANTHONY and issued by Integrity Capital, LLC.

16. Integrity Capital defaulted on their promissory notes in the fourth quarter of 2011 and/or the first quarter of 2012. As of the date of this Order, a considerable portion of the Alabama residents invested funds have not been returned.

17. In a statement to the Commission on November 2, 2012, ANTHONY acknowledged that a "provision to pay 1%" commission existed in a verbal agreement with Integrity Capital representatives.

18. Prior to the offer and sale of the Integrity Capital promissory notes, ANTHONY failed to provide his firm with written notice of his participation and failed to receive written approval from the member firm prior to conducting private securities transactions.

19. As of November 9, 2012, the Financial Industry Regulatory Authority ("FINRA") issued a Complaint to ANTHONY pursuant to similar allegations mentioned herein. That Complaint is still outstanding as of the date of this Order.

### **CONCLUSIONS OF LAW**

20. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of a

security includes any note or other evidence of indebtedness. The Integrity Capital Promissory Notes offered and sold by ANTHONY are notes representing evidence of indebtedness and are securities under the Alabama Securities Act.

21. The definition of agent under Section 8-6-2(2), Code of Alabama 1975, includes any individual who represents a dealer or an issuer in effecting or attempting to effect sales of securities. ANTHONY represented Integrity Capital in effecting transactions of unregistered securities, i.e. promissory notes, in Alabama and is an Agent under the Act.

22. Section 8-6-4, Code of Alabama 1975 states: "It is unlawful for any person to offer or sell any security in this state unless it is registered under this article; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11." The securities offered and sold by ANTHONY were neither registered nor exempt from registration in Alabama and were offered and sold by ANTHONY in violation of the Act.

23. Section 8-6-3(J)(7), Code of Alabama 1975 states: "The Securities Commission may by order deny, suspend or revoke any registration, censor or bar any applicant or registrant; who has engaged in dishonest or unethical practices in the securities business". ANTHONY conducted private security transactions ("selling away") by failing to obtain approval from the member firm prior to the offer and sale of the securities mentioned herein. The Integrity Capital promissory notes offered and sold by ANTHONY were not registered, nor exempt from registration, as required by the Alabama Securities Act. ANTHONY's conduct constitutes dishonest or unethical practices in violation of the Act.

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

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

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

ACCORDINGLY, IT IS HEREBY ORDERED that the RESPONDENT be BARRED from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 15<sup>th</sup> day of February,  
2013.



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BY:

Joseph Borg  
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JPB/mlg