

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF)	
)	CONSENT ORDER
Nancy Barron and Associates, Inc.)	
)	NO. CO-2024-0013
)	
<u>RESPONDENT</u>)	

CONSENT ORDER

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*, 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. Nancy Barron and Associates, Inc. ("NB&A"), Central Registration Depository ("CRD") #30201, is a broker dealer with a business address of 150 Grand Boulevard, Lexington, Kentucky 40507. NB&A has never been registered as a broker dealer in the State of Alabama.

2. Nancy T. Barron II ("BARRON"), CRD# 13608, is the Chief Compliance Officer and Chief Executive Officer with a business address of 150 Grand Blvd, Lexington, KY 40507. Commission records reflect that BARRON has never been registered as a broker dealer agent in the State of Alabama.

STATEMENT OF FACTS

3. On March 18, 2022, NB&A submitted a broker dealer application electronically, via web CRD, for registration as a broker dealer in the State of Alabama.

4. On March 29, 2022, the Commission staff issued a phase II deficiency letter to NB&A requesting, among other items, a prior sales statement of undertaking advising whether any securities activities had occurred in the state of Alabama by NB&A. Additionally, the Commission staff issued a visitation letter to National Financial Services, LLC (“NFS”) CRD# 13041, NB&A 's clearing firm, requesting documentation regarding all securities transactions by NB&A on behalf of Alabama client accounts.
5. On March 29, 2022, the Commission staff received a response to the phase II deficiency letter from NB&A advising that the firm had three Alabama accounts with nine securities transactions dated March 12, 2021, through June 29, 2021, with \$1,321.46 earned in commission.
6. On April 14, 2022, the Commission staff received a response to its visitation letter from NFS reflecting a client list with five clients with Alabama addresses with six Alabama accounts as of March 31, 2022; a trade blotter with trades executed for Alabama clients from May 12, 2012, through March 29, 2022, with eighty-seven securities transactions dated December 5, 2012, through March 24, 2022, with a total \$4,642.79 earned in commission from all trades.
7. On April 27, 2022, the Commission staff issued a continued deficiency letter to NB&A requesting additional documents on Alabama clients.
8. On May 18, 2022, NB&A provided documentation of seven Alabama clients, with ten accounts and a trade confirmation report on two Alabama accounts with Barron identified as the agent who earned \$890.30 in commission.
9. On July 26, 2022, the Commission staff issued rescission instructions to NB&A. Additionally, the Commission staff advised the firm to cease all securities business in the state of Alabama until registration has been approved.

10. On August 5, 2022, NB&A submitted to the Commission staff a letter stating, "Nancy Barron and Associates, Inc. has clients that moved to Alabama from Kentucky and thought that there was an allowed number of clients or an "exemption" without having to be registered in Alabama, were not aware of the change in the de minimis number for Alabama". NB&A provided the dates clients moved to Alabama with transaction dates, also indicating the clients who had no transactions.

11. On September 14, 2022, NB&A submitted to the Commission staff a draft rescission offer for three Alabama clients. The rescission offer reflected twenty-six total securities transactions between July 27, 2016, and March 24, 2022, with a total of \$3,327.69 commissions earned on the twenty-six securities transactions.

12. On September 27, 2022, the Commission staff emailed NB&A that the drafted offer was cleared for issuance to the Alabama client.

13. On December 14, 2022, the Commission staff emailed NB&A for a follow-up regarding the rescission letters. NB&A stated, "they had not received the Commission's approval email and letters had not been sent out but would now do so".

14. On March 6, 2023, the Commission staff again emailed NB&A for a follow-up regarding the rescissions letter.

15. On March 24, 2023, NB&A sent a letter stating, "on December 14, 2022, the rescission letters were mailed to the Alabama clients and as of March 24, 2023, they have not received any written responses, nor any phone calls regarding the rescission letters".

CONCLUSIONS OF LAW

1. Pursuant to *Code of Alabama, 1975*, §8-6-3(a), it is unlawful for any person to transact business in this state as a dealer or agent for securities unless he or she is registered under the Act. NANCY BARRON AND ASSOCIATES, INC., an entity not registered as a securities dealer in the state of Alabama, effected securities transactions for five Alabama residents in violation of the Act.

2. Pursuant to *Code of Alabama 1975*, Section 8-6-3(a) it is unlawful for any broker dealer or issuer to employ an agent unless the agent is properly registered under this Act. NANCY BARRON AND ASSOCIATES, INC. employed NANCY T. BARRON II although having not registered in the state of Alabama, in violation of the Act.

WHEREAS, RESPONDENTS admits they effected securities transactions 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; the Respondents understand the Commission relied upon such information and assertions in its determination to accept this Agreement and that should such 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, RESPONDENTS have voluntarily waived all rights to a hearing upon entry of this Agreement and have consented to the entry of this Agreement, and

WHEREAS, the Commission finds this Agreement 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 Respondents are desirous of settling this matter as hereafter set forth and agree to the entry of this Order; Pursuant to *Code of Alabama 1975*, Section 8-6-3(a) it is unlawful for any broker dealer or issuer to employ an agent unless the agent is properly registered under this Act. NANCY BARRON AND ASSOCIATES, INC. employed NANCY T. BARRON II although having not registered in the state of Alabama, in violation of the Act.

ACCORDINGLY, IT IS HEREBY ORDERED:

1. That RESPONDENTS shall until such time as properly registered in the state of Alabama, refrain from effecting securities transactions into, within or from the state of Alabama.
2. That RESPONDENTS shall ensure that proper policies and procedures are enacted to preclude any future non-compliance with the Act.
3. That RESPONDENTS shall provide training to all employees to ensure that all trades are made by registered persons in compliance with state laws.

ACCEPTANCE AND CONSENT

1. Pursuant to *Code of Alabama 1975*, §8-6-19(j)(1), NANCY BARRON AND ASSOCIATES, INC. shall pay to the **State of Alabama** an administrative assessment in the total sum of four thousand six-hundred forty-two dollars and seventy-nine cents (\$4,642.79), said funds to be tendered in certified funds contemporaneously with the entry of this Order.
2. Pursuant to *Code of Alabama 1975*, §8-6-19(k)(1), NANCY BARRON AND ASSOCIATES, INC. shall pay to the **Alabama Securities Commission**, as partial reimbursement for the Commission's cost for investigating this matter, the sum of three thousand seven hundred twenty dollars (\$3,720.00), said funds to be tendered in certified funds contemporaneously with the entry of this Order.
3. That to the extent that Respondents' representations to the Commission as stated herein are true and correct, the terms set forth in the Agreement represent the complete agreement and settlement among the parties as to its subject matter, but in no way preclude legal proceedings by or on behalf of the Commission for acts and/or omissions not specifically addressed in this Order.

AGREED AND CONSENTED to the dates indicated:

RESPONDENT

NANCY BARRON AND ASSOCIATES, INC.

Nancy T. Barron II

Nancy T. Barron II
President

May 29 2024

DATE

APPROVED AND AGREED this 13th day of June 2024.



ALABAMA SECURITIES COMMISSION
Dexter Avenue Building
445 Dexter Avenue, Suite 12000
(334) 242-2984
BY:

A. Senn

Amanda L. Senn
Director