BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE

TENNESSEE SECURITIES DIVISION and	)	
TENNESSEE INSURANCE DIVISION	)	
Petitioners,	)	
	)	**Sec. Order No.: 10-009**
	)	**Ins. Order No.: 10-050**
vs.	)	**No: SI-2008-004**
	)	**Complaint # 2008-0025**
MARK S. RIDDLE	)	
Respondent.	)	

CONSENT ORDER

The Tennessee Securities Division ("TSD") and the Tennessee Insurance Division ("TID") (collectively, the "Divisions") and Respondent, Mark S. Riddle, agree to the entry of this Consent Order in accordance with TENN. CODE ANN. § 48-2-116 of the Tennessee Securities Act of 1980, as amended, TENN. CODE ANN. §§ 48-2-101, *et seq.* (the "Act"), which states that the Commissioner of the Department of Commerce and Insurance ("Commissioner") may from time to time make such orders as are necessary to carry out the provisions of the Act and in accordance with the Tennessee Insurance Producer Licensing Act of 2002, TENN. CODE ANN. §§ 56-6-101, *et seq.* (the "Law").

Mark S. Riddle ("Respondent") hereby stipulates and agrees, subject to the approval of the Commissioner as follows:

GENERAL STIPULATIONS

1. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. Solely for the purposes of these proceedings, this Consent Order is executed by the Respondent for the purpose of avoiding further administrative action and expense with respect to this cause and for no other purpose. Furthermore, should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of this matter or any administrative proceedings.

3. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Consent Order or for facts or omissions that do not arise from the facts addressed in this Order. Respondent further understands that the acts or omissions addressed in this Consent Order may be used by the Commissioner in denying any application for registration or licensure which the Respondent may submit in the future. Respondent also understands that this Consent Order shall not preclude the Commissioner from referring this matter to any appropriate law enforcement agency and assisting such agency in any investigation or prosecution that such agency may undertake.

4. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by any other state government representative against the Respondent for violations of law under other statutes, rules, or regulations of the State of Tennessee, which may arise out of the facts, acts, or omissions contained in the Findings of Fact and Conclusions of Law stated herein, or which may arise as a result of the execution of this Consent Order by the Respondent.

5. Respondent expressly waives all further procedural steps, and expressly waives all

rights to seek judicial review of this Consent Order, or to otherwise challenge or contest the validity of the Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Consent Order by the Commissioner.

FINDINGS OF FACT

1. The Act, as amended, TENN. CODE ANN. §§ 48-2-101, et seq. places the responsibility for the administration of the Act on the Commissioner. The TSD is the lawful agent through which the Commissioner discharges this responsibility. TENN. CODE ANN. § 48-2-112 and § 48-2-115.

2. The Law, TENN. CODE ANN. §§ 56-1-101 et seq., places the responsibility of the administration of the Law on the Commissioner. The TID is the lawful agent through which the Commissioner discharges this responsibility. TENN. CODE ANN. § 56-1-202 and § 56-6-112.

3. Mark S. Riddle, Respondent, is a citizen and resident of Tennessee, residing at 2506 Racquet Club Dr., Murfreesboro, TN 37128. Mark S. Riddle is not currently registered, nor has he ever been registered, as a broker-dealer or broker-dealer agent with the TSD.

4. On or about May 2007, Respondent sold unregistered securities to at least three (3) individuals in a total aggregate amount of six hundred and sixty-eight thousand, sixty-four dollars and fifty-three cents ($668,064.53).

5. On or about April 7, 2010, the Respondent was arrested in Rutherford County, Tennessee, pursuant to a seven count indictment which included, but was not limited to, allegations that he sold unregistered securities.

6. On or about August 6, 2010, the Respondent pled guilty to three (3) felony counts of the sale of unregistered securities, each count is a Class D felony pursuant to TENN. CODE ANN. § 48-

2-123(a).

CONCLUSIONS OF LAW

1. TENN. CODE ANN. § 48-2-112(a)(2)(G) provides, in pertinent part, that the Commissioner may by order deny, suspend, or revoke any registration under this part if she finds that the order is in the public interest and necessary for the protection of investors, and that the applicant or registrant has engaged in dishonest or unethical business practices in the securities business.

2. Based upon the Findings of Fact cited above, the Commissioner concludes that the Respondent has engaged in dishonest or unethical business practices in the securities business by selling unregistered securities in Tennessee and that this conduct provides sufficient grounds for the imposition of sanctions pursuant to TENN. CODE ANN. § 48-2-112(a)(2)(G).

3. TENN. CODE ANN. § 48-2-104 states that it is unlawful for any person to sell any security in this state unless: (1) it is registered under this part; (2) the security or transaction is exempted under § 48-2-103; or (3) the security is a covered security.

4. As described in the Findings of Fact cited above, the sales of securities without first registering the securities with the TSD provide grounds under TENN. CODE ANN. § 48-2-104 for the entry of an order of sanctions against Respondent Mark S. Riddle.

5. TENN. CODE ANN. § 48-2-109(a) provides in pertinent part that: It is unlawful for any person to transact business from or in this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part.

6. As described in the Findings of Fact section above, the unregistered sales of securities

without first registering with the TSD as a broker-dealer agent provides grounds under TENN. CODE ANN. § 48-2-109(a) for the entry of an order of sanctions against Respondent Mark S. Riddle.

7. Based upon the Findings of Fact cited above, the Commissioner concludes that the actions of the Respondent provide sufficient grounds for the imposition of sanctions pursuant to TENN. CODE ANN. §§ 48-2-104 and 48-2-109.

8. TENN. CODE ANN. § 56-6-112(a)(8) provides, in pertinent part, that "The commissioner may place on probation, suspend, revoke or refuse to issue or renew a license issued under this part or may levy a civil penalty in accordance with [TENN. CODE ANN.] § 56-2-305 or take any combination of those actions, for any one (1) or more of the following causes: . . . (8) Using fraudulent, coercive or dishonest practices . . . in the conduct of business in this state . . . ."

9. Based upon the Findings of Fact cited above, the Commissioner concludes that the actions of the Respondent resulted in the use of fraudulent, coercive and dishonest practices in the conduct of business in Tennessee and this conduct provides sufficient grounds for the imposition of sanctions in accordance with TENN. CODE ANN. §§ 56-6-112(a)(8) and 56-2-305(a)(2).

10. The Respondent enters into this Consent Order for the sole purpose of avoiding further administrative action with respect to this cause. Respondent, however, does concede that the Conclusions of Law contained herein are otherwise fair and reasonable.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and Respondent's waiver of the right to a hearing and appeal under the Act, the Law, and Tennessee's Uniform Administrative Procedures Act, TENN. CODE ANN. §§ 4-5-101, *et seq.*, and Respondent's admission of the jurisdiction of the

Commissioner, the Commissioner finds that, for the purposes of these proceedings, the Respondent has no objections to the entry of this Order and that the following Order is appropriate, in the public interest and necessary for the protection of investors.

1. **IT IS ORDERED**, pursuant to TENN. CODE ANN. § 48-2-116(a) that Respondent Mark S. Riddle is ordered to and agrees to **CEASE AND DESIST** in any further conduct as a broker-dealer or agent of a broker-dealer from or in the state of Tennessee, beginning on the date this Consent Order is executed by the Commissioner for the Department of Commerce and Insurance.

2. Respondent Mark S. Riddle shall be **PERMANENTLY BARRED** from applying for or seeking registration with the TSD as a broker-dealer, agent of a broker-dealer, investment advisor, or investment adviser representative from or in the state of Tennessee, beginning on the date this Consent Order is executed by the Commissioner.

3. Respondent Mark S. Riddle shall be **PERMANENTLY BARRED** from applying for or seeking licensure with the TID as an insurance producer, beginning the date this Consent Order is executed by the Commissioner.

This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By his signature affixed below, Mark S. Riddle affirmatively states that he has freely agreed to the entry of this Consent Order, that he has been advised that he may consult legal counsel in this matter and has had the opportunity to consult with legal counsel should he have desired to do so, that he waives his right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Divisions, or any agent or representative thereof.

The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

SO ORDERED.

Entered this the 19th day of August, 2010.

Leslie A. Newman, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

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