BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE OF THE STATE OF TENNESSEE AT NASHVILLE

IN THE MATTER OF	)	
QUINN FINANCIAL PARTNERS, LLC;	)	**TSD Order No.: 12-003**
(f.k.a. KAY QUINN FINANCIAL, LLC)	)	
CATHERINE V. QUINN	)	
(a.k.a. KAY QUINN),	)	

CONSENT ORDER

The Tennessee Securities Division ("TSD") of the Tennessee Department of Commerce and Insurance ("Department"), Quinn Financial Partners, LLC and Ms. Catherine V. Quinn (a.k.a. Kay Quinn) (collectively "Respondents"), agree to the entry of this Consent Order.

The parties as listed herein agree to the entry of this Consent Order in accordance with section 48-1-116 of the Tennessee Securities Act of 1980, as amended, TENN. CODE ANN. §§ 48-1-101 to 1-201 (2012) ("Act"), which states that the Commissioner of the Tennessee 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.

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. This Consent Order is executed by the Respondents for the purpose of avoiding further administrative action with respect to this cause. 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 these proceedings.

3. Respondents fully understand that this Consent Order will in no way preclude additional proceedings by the Commissioner against Respondents for acts or omissions not specifically addressed in this Consent Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. Respondents fully understand that this Consent Order will in no way preclude proceedings by state government representatives, other than the Commissioner for the violations of the Act addressed specifically in this Consent Order, against the Respondents for violations of law under 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 Respondents.

5. Respondents expressly waive all further procedural steps, and expressly waive all rights to seek judicial review of or to otherwise challenge or contest the validity of this Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Consent Order by the Commissioner.

FACTUAL ALLEGATIONS

1. The Tennessee Securities Act of 1980, as amended, TENN. CODE ANN. §§ 48-1-101 to 1-201 (2012) ("Act") 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. Sections 48-1-112 and 48-1-115 of the Act.

2. The TSD is authorized to bring this action based on a finding by the Commissioner that the action is in the public interest, necessary for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act. Section 48-1-116(b) of the Act.

3. Respondent Quinn Financial Partners, LLC ("Quinn Financial") (Central Registration Depository "CRD" # 123983) is a Tennessee registered Investment Adviser. At all relevant times, Quinn Financial was located at 2000 Glen Echo Rd. Nashville, Tennessee 37215.

4. Respondent Catherine V. Quinn ("Ms. Quinn") (CRD # 2588351) is a citizen and resident of Davidson County, Tennessee. At all relevant times, Ms. Quinn has been an Investment Adviser Representative registered with the TSD. At all relevant times, Ms. Quinn maintained a business address of 2000 Glen Echo Rd., Nashville, Tennessee 37215.

5. In 2007, Respondents placed four million dollars ($4,000,000) in client assets under their management in transactions prohibited under the Act. Specifically, Ms. Quinn recommended and facilitated the purchase of interests in six (6) unregistered, unsuitable and illiquid real estate investment contracts offered by DBI Secured Income Partners, LLC ("Diamond Bay") to fifty-five (55) of her clients. Respondents failed in their performance of the due diligence required of them as Investment Advisers and did not discover that the Diamond Bay offerings were not registered for sale in Tennessee and were being sold to Tennessee investors unlawfully.

6. In 2007, the Respondents placed fifty-five (55) clients into six (6) unsuitable offerings without conducting the required due diligence to determine whether these investments were suitable to their clients' investment objectives, financial situation and needs. Respondents failed to abide by their fiduciary duties as an investment adviser and investment adviser

representative, respectively, to their clients, which required Respondents to perform reasonable due diligence to ensure that the investments they placed their clients into were suitable to their investment objectives, financial situation and needs.

CONCLUSIONS OF LAW

Pertaining to the Commissioner's Authority to Carry Out the Provisions of the Tennessee Securities Act of 1980

1. Section 48-1-116 of the Act provides that the Commissioner may make, promulgate, amend, and rescind such Orders as are necessary to carry out the provisions of the Act upon a finding that such Order is in the public interest, necessary for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act.

Pertaining to the Commissioner's Authority to Impose Civil Penalties for Violations of the Act

2. Section 48-1-112(a)(2)(B) of the Act provides, in pertinent part, that

> (a) [t]he commissioner may by order deny, suspend, or revoke any registration under this part if the commissioner finds that: (2) [t]he … registrant (B) [h]as willfully violated or willfully failed to comply with any provision of this part or a predecessor chapter or any rule or order under this part or a predecessor chapter … .

3. Section 48-1-112(a)(2)(G) of the Act provides, in pertinent part, that "(a) [t]he commissioner may by order deny, suspend, or revoke any registration under this part if the commissioner finds that: (2) [t]he … registrant (G) [h]as engaged in dishonest or unethical business practices."

4. TENN. COMP. R. & REGS. 0780-4-3-.02(6)(c)(2) states that it shall be deemed a 'dishonest or unethical business practice' by an investment adviser or investment adviser representative to engage in the activity of: "(2) [p]lacing an order for the purchase or sale of a security pursuant to discretionary authority if the purchase or sale is in violation of the Act or any rule thereunder...".

5. TENN. COMP. R. & REGS. 0780-4-3-.02(6)(c)(4) states that it shall be deemed a 'dishonest or unethical business practice' by an investment adviser or investment adviser representative under the Act if an investment adviser or investment adviser representative recommends:

> the purchase, sale or exchange of any security without reasonable grounds to believe that the recommendation is suitable for the customer on the basis of information furnished by the customer after reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and any other information known by the broker-dealer [sic] (investment adviser or investment adviser representative).... .

6. Section 48-1-112(d) of the Act provides that

> [i]n any case in which the commissioner is authorized to deny, revoke, or suspend the registration of ... (an) investment adviser, (or) investment adviser representative ..., the commissioner may, in lieu of or in addition to such disciplinary action, impose a civil penalty in an amount not to exceed five thousand dollars ($5,000) for all violations for any single transaction.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and Respondents' waiver of the right to a hearing and appeal under the Act and the Uniform Administrative Procedures Act, TENN. CODE ANN. §§ 4-5-101 to 4-5-404 (2011 & 2012 Supp.), and Respondents' admission of jurisdiction of the Commissioner, the Commissioner finds that Respondents, for the purpose of settling this matter, admit the Findings of Fact and Conclusions of Law, agree to the entry of this

Order and agree that this Order is in the public interest, necessary for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act.

IT IS ORDERED, pursuant to section 48-1-116(a) of the Act, that Respondent Quinn Financial Partners, LLC:

1. **COMPLY** with the provisions of the Act, and the rules promulgated thereunder;

2. **CEASE AND DESIST** in any future conduct of placing an order for the purchase or sale of a security pursuant to discretionary authority if the purchase or sale is in violation of the Act; or recommending the purchase, sale or exchange of any security without reasonable grounds to believe that the recommendation is suitable for the customer on the basis of information furnished by the customer after reasonable inquiry concerning the customer's investment objectives, financial situation and needs;

IT IS FURTHER ORDERED, pursuant to section 48-1-116(a) of the Act, that Respondent Catherine V. Quinn;

1. **COMPLY** with the provisions of the Act, and the rules promulgated thereunder;

2. **CEASE AND DESIST** in any future conduct of placing an order for the purchase or sale of a security pursuant to discretionary authority if the purchase or sale is in violation of the Act; or recommending the purchase, sale or exchange of any security without reasonable grounds to believe that the recommendation is suitable for the customer on the basis of information furnished by the customer after reasonable inquiry concerning the customer's investment objectives, financial situation and needs;

3. Pay **CIVIL PENALTIES** in the amount of fifteen thousand dollars ($15,000). Payment shall be made within thirty (30) days of the date this agreement is executed by the Commissioner, and payment shall be mailed to:

4. Respondent Catherine V. Quinn **IS ORDERED AND AGREES** to amend Financial Industry Regulatory Authority ("FINRA") form U4, pursuant to the instructions of these forms as required by FINRA, and file the appropriate Disclosure Reporting Page to disclose the details of this Consent Order against Respondents Quinn Financial Partners, LLC and Catherine V. Quinn;

5. Respondent Catherine V. Quinn **IS ORDERED AND AGREES** that she is subject to heightened disclosure requirements and will amend her Form ADV: Parts 1 and 2 to disclose this Consent Order as it is a material disciplinary event against Respondents Quinn Financial Partners, LLC and Catherine V. Quinn;

6. In addition, it is further **ORDERED** that all persons in any way assisting, aiding, or helping Respondents Quinn Financial Partners, LLC or Respondent Catherine V. Quinn in any of the aforementioned violations of the Act, shall **CEASE AND DESIST** from all such activities in violation of the Act.

IT IS ORDERED that this Consent Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Commissioner against Respondents Quinn Financial Partners, LLC and Catherine V. Quinn for violations of the Act alleged by the TSD to have occurred with respect to the transactions involving the above referenced offerings and the facts contained herein.

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 the signatures affixed below, Respondents Quinn Financial Partners, LLC and Catherine V. Quinn, affirmatively state that they have freely agreed to the entry of this Consent Order, that they waive the 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 to them by the Commissioner, the Division, 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 as set forth in this Consent Order, are binding upon them.

ENTERED this 12th day of March, 2013.

Julie Mix McPeak

Julie Mix McPeak, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

Catherine V Quinn

Ms. Catherine V. Quinn, both individually,
and as a representative of
Respondent Quinn Financial Partners, LLC

Daphne D. Smith,
Assistant Commissioner for Securities
Department of Commerce and Insurance

Matthew McCarthy (BPR # 025550)
Assistant General Counsel
500 James Robertson Parkway
Davy Crockett Tower
Nashville, Tennessee 37243