



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

TENNESSEE SECURITIES DIVISION,)
)
 Petitioner,)
)
 v.) TSD No.: 19-027
)
 NEW SOUTHERN ADVISORY)
 SERVICES, INC.,)
)
 Respondent.)

CONSENT ORDER

The Securities Division of the Tennessee Department of Commerce and Insurance (“Division”), and New Southern Advisory Services, Inc. (“Respondent”), by and through undersigned counsel, agree to the entry and execution of this Consent Order in accordance with Tennessee Code Annotated (“Tenn. Code Ann.”) § 48-1-116 of the Tennessee Securities Act of 1980 (“Act”), as amended, and Tenn. Code Ann. §§ 48-1-101 to 48-1-201, subject to the approval of the Commissioner of the Department (“Commissioner”).

I. PARTIES

1. New Southern Advisory Services, Inc. is an investment adviser registered in Tennessee with Central Registration Depository number (“CRD #”) 158724. Ivan Rodriguez (CRD # 1884770) is the only associated investment adviser representative. Mr. Rodriguez is also the sole owner and representative of New Southern Advisory Services, Inc.
2. The Division is the lawful agent through which the Commissioner discharges the administration of the Act pursuant to Tenn. Code Ann. § 48-1-115.

II. GENERAL STIPULATIONS

3. 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 and execution of this Consent Order by the Commissioner. Entry and execution of this Consent Order by the Commissioner shall occur when the Commissioner signs and dates this Consent Order.

4. It is expressly understood that this Consent 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.

5. This Consent Order is executed by the Commissioner, the Division, and the Respondent to avoid further administrative action with respect to the findings of fact described herein. 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.

6. The Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts and/or omissions not specifically addressed in this Consent Order nor for facts and/or omissions that do not arise from the facts or transactions herein.

7. The Respondent fully understands that this Consent Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for acts or omissions addressed specifically in this Consent Order, violations of law under statutes, rules, or regulations of the State of Tennessee that arise out of the facts, acts, or omissions contained in this

Consent Order, or acts or omissions addressed specifically herein that result from the execution of this Consent Order.

8. The Respondent waives all further procedural steps and all rights to seek judicial review of, or otherwise challenge the validity of this Consent Order, the stipulations and imposition of discipline contained herein, or the consideration and entry and execution of this Consent Order by the Commissioner.

III. FINDINGS OF FACT

9. On July 26, 2019, Ethan Rosenberg, an examiner for the Division, began conducting a routine examination of the books and records of the Respondent.

10. Mr. Rosenberg's examination revealed that the Respondent's net capital decreased below the fifteen-thousand dollar (\$15,000) required minimum during the following months: October and December of 2017; and March through July of 2019. His examination further revealed that the Respondent failed to keep a ledger or record reflecting a monthly computation of net capital.

11. Mr. Rosenberg communicated these deficiency findings to the Respondent, to which its representative, Mr. Rodriguez, responded and admitted that the Respondent had neither maintained the minimum net capital requirement of fifteen thousand dollars (\$15,000) nor kept a ledger or record reflecting a monthly computation of the Respondent's net capital.

12. On August 30, 2019, Mr. Rodriguez contributed capital of fifteen thousand dollars (\$15,000) to the Respondent's bank account.

13. Additionally, the Respondent engaged a CPA firm, Griffith CPA Firm, PLLC to perform bookkeeping services beginning on September 1, 2019. The Respondent also provided

the Division with a signed letter from the Griffith CPA Firm, PLLC, which confirmed this information.

IV. CONCLUSIONS OF LAW

14. Pursuant to Tenn. Code Ann. § 48-1-115(a), the responsibility for the administration of the Act is vested in the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility pursuant to Tenn. Code Ann. § 48-1-115(b).

15. Tenn. Code Ann. § 48-1-116 sets forth 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.

16. Tenn. Code Ann. § 48-1-111(a) provides that every investment adviser shall make and keep such accounts, correspondence, memoranda, papers, books, and other records as the Commissioner by rule prescribes.

17. Tenn. Code Ann. § 48-1-111(d)(1) establishes that all records referred to in § 48-1-111(a) are subject to such reasonable examinations by representatives of the Commissioner, as the Commissioner deems necessary or appropriate in the public interest or for the protection of investors.

18. Tenn. Comp. Rules & Regs. 0780-04-03-.01(6)(a) and (d) requires every investment adviser, unless its principal place of business is in another state, to have and maintain a minimum net capital of fifteen thousand dollars (\$15,000).

19. Tenn. Comp. Rules & Regs. 0780-04-03-.02(3)(a)10. states that “. . . every registered investment adviser shall maintain and keep current the following books and records

relating to its business, unless waived by order of the [C]ommissioner: [a] computation made monthly of the investment adviser's net capital[.]”

20. The Findings of Fact detailed above show that the Respondent failed to maintain a minimum net capital of fifteen thousand dollars (\$15,000) during October and December of 2017, and March through July of 2019, in violation of Tenn. Comp. Rules & Regs. 0780-04-03-.01(6).

21. The Findings of Fact detailed above also show that the Respondent failed to maintain a monthly computation of its net capital in violation of Tenn. Comp. Rules & Regs. 0780-04-03-.02(3)(a)10.

22. The Commissioner finds the following relief appropriate, in the public interest, and necessary for the protection of investors.

V. ORDER

NOW, THEREFORE, based on the foregoing, including the Respondent's waiver of the right to a hearing and appeal under the Act and the Tennessee Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 *et seq.*, and the Respondent's admission to the jurisdiction of the Commissioner, the Commissioner finds that the Respondent agrees to the entry and execution of this Consent Order to settle this matter as evidenced by the Respondent's signature.

IT IS ORDERED, pursuant to Tenn. Code Ann. § 48-1-116, that the Respondent shall:

1. **COMPLY** with the Act, as amended, and all rules promulgated thereunder; and
2. **PAY A CIVIL PENALTY** to the State of Tennessee of one thousand dollars (\$1,000.00) on behalf of the Respondent. The payment of such civil penalty shall be made by check payable to the Tennessee Department of Commerce and Insurance. Page one (1) of this Consent Order must accompany the payment for reference. Payment shall be remitted within thirty

(30) days after the entry and execution of this Consent Order, as evidenced by the Commissioner's signature, and mailed to the attention of:

State of Tennessee
Department of Commerce and Insurance
Attn: Virginia Smith
Davy Crockett Tower
500 James Robertson Parkway
Nashville, Tennessee 37243

3. The Respondent's failure to comply with the terms of this Consent Order, including the manner and method of payment of the civil penalty described above, shall result in further administrative disciplinary action, which may include the assessment of additional civil penalties.

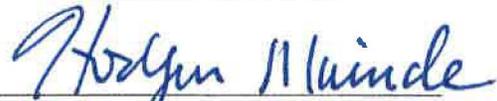
4. **IT IS FURTHER ORDERED** that this Consent Order represents the complete and final resolution of and discharge of all administrative and civil claims, demands, actions, and causes of action by the Commissioner against the Respondent for violations of the Act with respect to the transactions involved in the above-referenced facts. However, excluded from and not covered by this paragraph, are any claims by the Division arising from or relating to the enforcement of the Consent Order provisions contained herein.

5. This Consent Order is in the public interest and the best interests of the Parties. It represents a settlement of the controversy between the Parties and is for settlement purposes only. By the signatures affixed below, or in two (2) or more counterparts, the Respondent affirmatively states the following: the Respondent freely agrees to the entry and execution of this Consent Order; the Respondent waives the right to a hearing on, or a review of, the matters, the Findings of Fact, and the Conclusions of Law underlying this Consent Order or the enforcement of this Consent Order; and the Respondent encountered no threats or promises of any kind by the Commissioner, the Division, or any agent or representative thereof.

6. By signing this Consent Order, the Commissioner, Division, and the Respondent 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.

7. This Consent Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. The facsimile, email or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or electronic copies shall be deemed to constitute duplicate originals.

ENTERED AND EXECUTED this 2 day of December, 2019.


Hodgen Mainda, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY AND EXECUTION:


Ivan Rodriguez,
On behalf of,
New Southern Advisory Services, Inc.


Elizabeth Bowling
Assistant Commissioner for Securities
Department of Commerce and Insurance


Virginia Smith, BPR #31248
Associate General Counsel for Securities
Department of Commerce and Insurance