

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

<b>TENNESSEE SECURITIES DIVISION</b>	)	
	)	
Petitioner,	)	Docket No.: 12.05-008160J
	)	Docket No.: 12.05-018393J
vs.	)	File No.: 00-002
	)	File No.: 01-005
<b>ROSCOE F. STEPHENS, III</b>	)	
	)	
Respondent.	)	

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**AGREED ORDER**

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The Tennessee Securities Division [the "Division"], and Roscoe F. Stephens, III ["Stephens"] agree to the entry of this Agreed Order in accordance with T.C.A. §48-2-116 of the Tennessee Securities Act of 1980, as amended, T.C.A. §§48-2-101, et seq. [The "Act"], which states that the Commissioner from time to time may make such orders as are necessary to carry out the provisions of the Act.

**FINDINGS OF FACT**

The Tennessee Securities Act of 1980, as amended, T.C.A. §48-2-101, et seq. [the "Act"], places the responsibility for the administration of the Act on the Commissioner of Commerce and Insurance ["Commissioner"]. The Division is the lawful agent through which the Commissioner discharges this responsibility. T.C.A. §48-2-115

2. Roscoe F. Stephens, III "Stephens" (CRD 2344670) Stephens became registered with the Division as an agent of J.J.B. Hilliard, W.L. Lyons, Inc. (CRD 453) ["Hilliard & Lyons"] in October 1998

3. Were the Division to pursue the current administrative proceeding against Mr.

**Stephens, evidence would be introduced to establish the following:**

- (a) On or around June 25, 2001, Stephens was terminated from his employment as an agent of Hilliard & Lyons after confessing that he had forged the signatures of two customers, Jeanette Booth and Magdalene Moffatt, on variable annuity applications.**
- (b) On or around October 26, 1998, Ms. Booth opened an IRA account with Hilliard & Lyons. Stephens was the agent assigned by the broker-dealer to service Ms. Booth's account**
- (c) On or around February 26, 2001, Stephens submitted an application for a Golden American Life Insurance Company variable annuity to Hilliard & Lyons. This application purported to bear the signature of Ms. Booth. The stated purpose of the application was to replace an annuity that Ms. Booth had purchased from Dreyfus Transamerica.**
- (d) On or around October 30, 1998, Ms. Moffatt opened a brokerage account with Hilliard & Lyons. The agent assigned by the broker-dealer to service the account was Stephens**
- (e) On or around May 10, 2001, Stephens submitted an application for a GE Life & Annuity Assurance Company variable annuity to Hilliard & Lyons. This application purported to bear the signature of Ms. Moffatt. The stated purpose of the application was to replace an annuity that Ms. Moffatt had purchased from Hartford Life**
- (f) On or around June 22, 2001, when questioned by W. Barry Robertson, a**

Hilliard & Lyons branch manager, about the authenticity of the signatures on the Booth and Moffatt annuity applications, Stephens confessed that he was the one who had signed the applications.

(g) Under the circumstances of these two transactions, Stephens received an early payment of commissions by Hilliard & Lyons.

### **CONCLUSIONS OF LAW**

3. Pursuant to Tennessee Code Annotated Section 48-2-115(a), the responsibility for the administration of the Act is upon the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

4. T.C.A. 48-2-112(a)(2)(G) states, in pertinent part, that the Commissioner by order may deny, suspend, or revoke any registration under this part if he finds that the order is in the public interest, necessary for the protection of investors, and if he finds that the registrant, or in the case of a broker-dealer or investment adviser, any officer, director, or any person occupying a similar status or performing similar functions has engaged in dishonest or unethical practices in the securities business.

5. Rule 0780-4-3-.02(6)(b) provides in pertinent part, that the term “dishonest or unethical business practices” by a broker-dealer or agent under T.C.A. 48-2-112(a)(2)(G) shall not be limited by the practices specified therein.

6. The averments in paragraph 3 of this Agreed Order, constitute practices by Mr. Stephens which would provide grounds under Tennessee Code Annotated Section 48-2-12(a)(2)(G) for the entry of an order of sanctions against Mr. Stephens.

**ORDER**

**NOW, THEREFORE**, on the basis of the foregoing, and Roscoe F. Stephens, III's waiver of his right to a hearing and appeal under the Tennessee Securities Act and Tennessee's Uniform Administrative Procedures Act, Tennessee Code Annotated §§4-5-101 et seq., and Roscoe F. Stephens, III's admission of jurisdiction of the Commissioner, the Commissioner finds that Roscoe F. Stephens, III, for the purpose of settling this matter, admits the matters herein, has agreed to the entry of this Order and that the following Order is appropriate, in the public interest and necessary for the protection of investors.

**IT IS ORDERED**, pursuant to Tennessee Code Annotated §48-2-116(a) of the Tennessee Securities Act that:

1 Roscoe F. Stephens, III shall fully comply with the Tennessee Securities Act, as amended, and all rules promulgated thereunder;

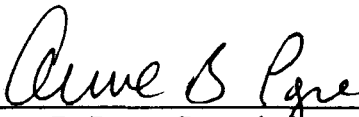
2. Roscoe F. Stephens, III's current registration as an agent in the State of Tennessee is hereby revoked effective immediately.

**IT IS ORDERED** that this 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 Roscoe F. Stephens for violations of the Act alleged by the Tennessee Securities Division to have occurred in transaction involving Shirley Hale, Jeanette Booth, and Magdalene Moffatt.

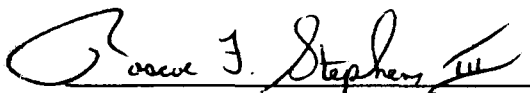
This Agreed Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for


settlement purposes only. By the signatures affixed below, Roscoe F. Stephens, III affirmatively state that he has freely agreed to the entry of this Agreed Order, that he waives his right to a hearing on the matters underlying this Agreed 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 Division, or any agent or representative thereof. The parties, by signing this Agreed Order, affirmatively state their agreement to be bound by the terms of this Agreed Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Agreed Order, are binding upon them.

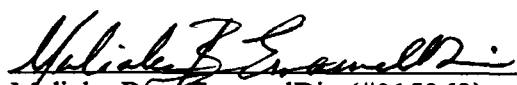
ENTERED this 8<sup>th</sup> day of February, 2002.

  
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Anne B. Pope, Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY:**

  
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Roscoe F. Stephens, III, Respondent

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

  
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