



STATE OF TENNESSEE
BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE

TENNESSEE SECURITIES DIVISION,)	
)	
Petitioner,)	
)	
v.)	Matter No.: 21-00131
)	
SAMUEL HADDIX,)	
)	
Respondent.)	

CONSENT ORDER FOR VOLUNTARY REVOCATION

The Securities Division of the Tennessee Department of Commerce and Insurance ("Division"), and Samuel Haddix ("Respondent"), hereby agree to the entry and execution of this Consent Order for Voluntary Revocation ("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 Tennessee Department of Commerce and Insurance ("Commissioner").

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 and execution of an order by the Commissioner.
2. This Consent Order is executed by the parties 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. The 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 and/or omissions that do not arise from the facts or transactions herein addressed.

4. The Respondent fully understands that this Consent Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for alleged violations of the Act addressed specifically in this Consent Order, 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 entry and execution of this Consent Order by the Respondent.

5. The Respondent expressly waives all further procedural steps, and expressly waives 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 and execution of said Consent Order by the Commissioner.

AUTHORITY AND JURISDICTION

6. The Commissioner has jurisdiction of this action pursuant to the Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. §§ 48-1-101 to 48-1-201 ("Securities Act"), places the responsibility of the administration of the Securities Act on the Commissioner of the Department ("Commissioner").

7. The Division is the lawful agent through which the Commissioner discharges this responsibility, pursuant to Tenn. Code Ann. § 48-1-115, and it is authorized to bring this action based on the finding that such 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 Securities Act, pursuant to Tenn. Code Ann. §§ 48-1-112 and 48-1-116.

PARTIES

8. The Division is the lawful agent through which the Commissioner discharges the administration of the Act pursuant to Tenn. Code Ann. § 48-1-115.

9. Samuel L. Haddix ("Respondent") is a resident of the State of Tennessee and has a CRD number 4427350 and was previously registered as an investment adviser representative and broker-dealer agent.

FACTUAL ALLEGATIONS

10. On or about October 28, 2016, the Division received a complaint alleging that Respondent's business practices were unethical causing severe harm to her company.

11. Prior to the investigation of the 2016 complaint, on or around July of 2017, during a routine review, the Division discovered that Respondent was terminated from his firm, Ameriprise Financial Services, Inc. ("Ameriprise"), for compliance violations related to selling away business relationships with clients and outside business activities.

12. As a result, Order of Investigation number 2017-0021 was issued on July 26, 2017, authorizing an investigation into the Respondent.

13. On or about June 2016, the Financial Industry Regulatory Authority ("FINRA") investigated Respondent based upon information provided in a US submitted upon Respondent regarding his termination detailing a customer complaint.

14. FINRA's comments state that, "Plaintiffs, in their third-party complaint, allege that, on or after June 2016, their former advisor [sic] opened two bank accounts for them without proper authority. In addition, Plaintiffs allege that they have sustained damages as a result of their former advisor's [sic] actions, including drafting contracts, inducing them to enter into contracts, self-dealing and usurpation of business opportunity. Plaintiffs' causes of action in the third-party complaint are breach of fiduciary duty, fraud, conversion, intentional interference with business

relations, violations of TN Consumer Protection Act, and punitive damages. Plaintiffs request unspecified compensatory and punitive damages, plus interest, costs, and fees."

15. On May 16, 2018, FINRA put in force a Permanent Bar on Respondent via Form U6 based upon FINRA Occurrence #19870946.

16. The FINRA Occurrence found that "Pursuant to FINRA Rule 9552(h) and in accordance with FINRA's Notice of Suspension and Suspension from Association letters dated February 7, 2018, and March 6, 2018, respectively, on May 10, 2018, Haddix is barred from association with any FINRA member in any capacity. Respondent failed to request termination of his suspension within three months of the date of the Notice of Suspension; therefore, he is automatically barred from association with any FINRA member in any capacity".

APPLICABLE LAW

17. Tenn. Code Ann. § 48-1-112(a)(2)(F)(i)(b) states, in pertinent part:

(a) The commissioner may by order deny, suspend, or revoke any registration under this part if the commissioner finds that:

...

(2) The applicant or registrant or, in the case of a broker-dealer or investment adviser, any affiliate, partner, officer, director, or any person occupying a similar status or performing similar functions:

...

(F)(i)(b) Is the subject of an order suspending or expelling such person from a national securities exchange or national securities association registered under the Securities Exchange Act of 1934 (15 U.S.C. § 78a et seq.), as amended, or is the subject of a United States post office fraud order;

(G) Has engaged in dishonest or unethical practices in the securities business;

18. Tenn. Comp. R. & Regs. 0780-04-03-.02 (6)(b)3 states, in pertinent part:

(6) Prohibited Business Practices

(b) The following are deemed "dishonest or unethical business practices" by an agent under T.C.A. § 48-1-112(a)(2)(G), without limiting those terms to the practices specified herein:

3. Effecting securities transactions with a customer not recorded on the regular books or records of the broker-dealer which the agent represents, unless the transactions are disclosed to, and authorized in writing by, the broker-dealer prior to execution of the transactions

19. Tenn. Code Ann. § 48-1-112 states, in pertinent part:

- (d) In any case in which the commissioner is authorized to deny, revoke, or suspend the registration of a broker-dealer, agent, investment adviser, investment adviser representative, or applicant for broker-dealer, agent, investment adviser, or investment adviser representative registration, 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, or in an amount not to exceed ten thousand dollars (\$10,000) per violation if an individual who is a designated adult is a victim.

20. Tenn. Code Ann. § 56-1-110 states, in pertinent part

- (b) The commissioner may, against any person, agency, or company licensed, registered, or permitted by or operating under a certificate of authority issued by the commissioner, or acting in an unlawful capacity that brings such person, agency, or company under the jurisdiction of the commissioner, assess the actual and reasonable costs of the investigation, prosecution, and hearing of any disciplinary action held in accordance with the contested case provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, part 3, in which sanctions of any kind are imposed on that person, agency, or company. These costs may include, but are not limited to, those incurred and assessed for the time of the prosecuting attorneys, investigators, expert witnesses, administrative judges, and any other persons involved in the investigation, prosecution, and hearing of the action.

21. Pursuant to Tenn. Code Ann. § 48-1-115(a), the responsibility for the administration of the Securities 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).

CONCLUSIONS OF LAW

22. The Respondent was the subject of an order suspending or expelling such person from a national securities exchange or national securities association registered under the Securities Exchange Act of 1934 (15 U.S.C. § 78a et seq.), as amended, or is the subject of a United States post office fraud order. The Respondent is permanently barred from association with any FINRA member in any capacity. This constitutes violations of Tenn. Code Ann. § 48-1-112(a)(2)(F)(i)(b).

23. The Respondent effected securities transactions with a customer not recorded on the regular books or records of the broker-dealer which the Respondent represented, without disclosing the transactions to, and receiving written authorization from, the broker-dealer prior to execution of the transactions. This activity constitutes violations of Tenn. Code Ann. § 48-1-112(a)(2)(G), which also qualifies as a prohibited business practice under Tenn. Securities Rule 0780-04-03-.02(6)(b)3.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and the Respondent's waiver of the right to a hearing and appeal under the Act and the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 *et seq.*, and the Respondent's admission of jurisdiction of the Commissioner, the Commissioner finds that the Respondent, for the purpose of settling this matter,

admits the Findings of Fact and Conclusions of Law, and agrees to the entry and execution of this Consent Order.

IT IS ORDERED, pursuant to Tenn. Code Ann. § 48-1-112 of the Act, that:

1. The Respondent submits to **VOLUNTARY REVOCATION** of his CRD number 4427350 and agrees to a **BAR** from any future registration with the Division.

2. The Respondent shall **CEASE AND DESIST** from any activities requiring registration under Tenn. Code Ann. § 48-1-109.

3. 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 the Respondent for violations of the Act alleged by or currently known by the Division to have occurred with respect to the transactions involving the above-referenced facts contained herein.

4. 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.

5. By the signature affixed below, the Respondent affirmatively states he has freely agreed to the entry and execution of this Consent Order, that the Respondent waives the right to a hearing on the matters underlying this Consent Order or the enforcement of 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 him by the Commissioner, the Division, or any agent or representative thereof.

6. The parties, by signing this Consent Order, affirmatively states his 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 Aug 14, 2024



Carter Lawrence (Aug 14, 2024 09:08 CDT)

Carter Lawrence, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY AND EXECUTION:



Samuel Haddix
8117 S/ Pole Cove
Memphis, TN 38125



Elizabeth Bowling (Aug 13, 2024 10:15 CDT)

Elizabeth Bowling
Assistant Commissioner for Securities
Department of Commerce and Insurance



Courtney A. Smith (Aug 12, 2024 11:43 CDT)

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