



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

TENNESSEE SECURITIES DIVISION)	
Petitioner,)	
)	Order No. 17-002
v.)	
)	
APPLETON CANTRELL LLC AND)	
LUIS RODRIGUEZ)	
Respondents.)	

EX PARTE ORDER TO CEASE AND DESIST

This Order issues as the result of a Petition filed by the Tennessee Securities Division of the Department of Commerce and Insurance (“TSD”). This Order is based upon the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. Sections 48-1-101 to 48-1-201 (2012) (“Act”), places the responsibility for the administration of the Act on the Commissioner of the Department of Commerce and Insurance (“Commissioner”). The TSD is the lawful agent through which the Commissioner discharges this responsibility. TENN. CODE ANN. Sections 48-1-112 and 48-1-115.

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. TENN. CODE ANN. Section 48-1-116.

3. Respondent Appleton Cantrell LLC (CRD # 240787) (“Appleton”) is a limited liability company organized under the laws of Tennessee (Secretary of State Control No. 000797980) and formerly registered as an investment adviser with the TSD. Appleton was administratively dissolved by the Tennessee Secretary of State on August 6, 2016. Appleton has a virtual office located at 1922 Exeter Road, Suite 11, Germantown, Tennessee 38138.

4. Respondent Luis Rodriguez (CRD # 6225437) is the owner, managing principal, chief compliance officer, and registered agent for service of process for Appleton. Rodriguez’s current mailing address is reportedly 4728 Spottswood Ave., Suite 258, Memphis, TN 38117.

5. Appleton registered with the TSD as an investment adviser on October 9, 2015. As an employee of Appleton, Rodriguez registered as an investment adviser representative with the TSD on April 30, 2015.

6. Appleton’s and Rodriguez’s registrations with the TSD terminated on December 31, 2016, because both Respondents failed to renew their registrations.

7. Since December 31, 2016, Respondent Appleton has continued to engage in the securities industry as an investment adviser in Tennessee without effective registration with the TSD.

8. Since December 31, 2016, Respondent Rodriguez has continued to engage in the securities industry as an investment adviser representative in Tennessee without effective registration with the TSD.

9. Through February 8, 2017, Respondents operated a website which advertised and promoted Appleton’s investment advisory business in Tennessee and numerous other states. This

website contained false statements of material fact which included a statement that Appleton was registered or licensed in numerous states in which neither Appleton nor Rodriguez were ever registered to conduct investment advisory activities.

10. At all relevant times, Respondents Appleton and Rodriguez have failed to comply with the reporting requirements of the Act, provided under TENN. CODE ANN. Section 48-1-111 and TENN. COMP. R & REGS. 0780-04-03-.02(4).

CONCLUSIONS OF LAW

11. The Commissioner finds that the TSD is authorized to bring this action based on her finding 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 pursuant to TENN. CODE ANN. Section 48-1-116(a) and (b). In addition, the Commissioner has determined that prior notice of this Cease and Desist Order is not in the public interest and would be detrimental to the protection of investors. TENN. CODE ANN. Section 48-1-116(e)(2)(A).

12. The facts as stated demonstrate that Respondent Appleton Cantrell LLC, which is not registered as an investment adviser in Tennessee, continues to solicit and engage in the investment advisory business in and from Tennessee in violation of TENN. CODE ANN. Section 48-1-109(c).

13. The facts as stated demonstrate that Respondent Luis Rodriguez, who is not registered as an investment adviser representative in Tennessee, continues to solicit and engage in the investment advisory business in and from Tennessee in violation of TENN. CODE ANN. Section 48-1-109(c).

14. The facts as stated demonstrate that Respondents continue to deny the TSD access to documents, financial reports, books, accounts, or other records relevant to Appleton's and

Rodriguez's investment advisory activities in violation of TENN. CODE ANN. Section 48-1-111 and TENN. COMP. R. & REGS. 0780-04-03-.03(4).

15. Respondents' continuing illegal conduct provides grounds under TENN. CODE ANN. Section 48-1-116(a) and (e) for the entry of an Order to Cease and Desist all investment advisory activities from or in Tennessee, unless and until such time as Respondents are registered pursuant to the Act.

ORDER

NOW, THEREFORE, in consideration of the foregoing, it is **ORDERED** that:

1. Respondents **SHALL COMPLY** with the Act and all rules promulgated thereunder.

2. Respondent Appleton **SHALL CEASE AND DESIST** any further conduct as an investment adviser in or from Tennessee until such time as it is effectively registered with the TSD to engage in such activity.

3. Respondent Luis Rodriguez **SHALL CEASE AND DESIST** any further conduct as an investment adviser representative in or from Tennessee until such time as he is effectively registered with the TSD to engage in such activity.

4. All persons in any way assisting, aiding, or helping the Respondents in any of the aforementioned violations of the Act **SHALL CEASE AND DESIST** all activities in violation of the Act.

5. This Order to Cease and Desist is not intended to prohibit any lawful conduct in which Respondents might be engaged.

6. Entry of this Order to Cease and Desist shall not in any way restrict the TSD or the Commissioner from taking any further action with respect to these or other possible violations of the Act or rules promulgated thereunder.

7. You are advised that you have the right to a hearing as to all matters raised in this Order to Cease and Desist. If you wish to exercise your right to a hearing, please notify:

**FRANK BORGER-GILLIGAN
ASSISTANT COMMISSIONER FOR SECURITIES
STATE OF TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
DAVY CROCKETT TOWER, 8TH FLOOR
500 JAMES ROBERSTON PARKWAY
NASHVILLE, TENNESSEE 37243**

8. Such written request must be received within thirty (30) days from the date of entry of this Order to Cease and Desist. This Order to Cease and Desist shall become a Final Order thirty (30) days from the date of its entry, unless written notification requesting a hearing is made within that thirty (30) day period.

ENTERED this 2 day of March, 2017.



Julie Mix McPeak, Commissioner

APPROVED FOR ENTRY:



Frank Borger-Gilligan
Assistant Commissioner for Securities
Department of Commerce and Insurance

ISSUANCE REQUESTED BY:



Kelsey J. Bridges (BPR # 034704)
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