



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

**IN RE ST. BERNARD FINANCIAL
SERVICES, INC.**

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No. 18-007

ORDER OF DENIAL

This Order of Denial issues as the result of the attached Petition for Order of Denial, submitted by the Registration Section of the Tennessee Securities Division (“TSD”) of the Tennessee Department of Commerce and Insurance (“Department”). This Order of Denial is predicated 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. §§ 48-1-101 through 48-1-201) (“Act”), places the responsibility for its administration with the Commissioner of the Department. The TSD is the lawful agent through which the Commissioner discharges this responsibility. Tenn. Code Ann. § 48-1-115.
2. Pursuant to the Act and the Tennessee Securities Rules, the Assistant Commissioner of the TSD is expressly empowered to issue orders of effective registration, orders of denial, and other orders not involving any sanctions. Tenn. Code Ann. § 48-1-115; Tenn. Comp. R. & Regs. 0780-04-01-.04(1)(b)4.
3. Applicant St. Bernard Financial Services, Inc. (“St. Bernard”) (CRD# 36956) is a financial services firm incorporated under the laws of the State of Arkansas, with its principal office and place of business located at 1609 West Main St., Russellville, Arkansas 72801. St. Bernard is currently registered with the TSD as a broker-dealer.
4. St. Bernard submitted an application for registration as an investment adviser with the TSD on or about February 21, 2017. This application has been pending since February 22, 2017.

5. In its application, St. Bernard failed to fully and accurately disclose the relevant disciplinary histories of its agent Michael Ramon DeLao (CRD# 2406749) and investment adviser representative Norman Hale Blake (CRD# 873703).

6. The TSD delivered to St. Bernard numerous deficiency letters requesting St. Bernard amend its application so as to accurately disclose all required information relating to its employees and the firm itself. St. Bernard maintains that such disclosures are not required as they pertain to employees not registered or conducting business in Tennessee.

7. St. Bernard additionally failed to adequately disclose its disciplinary history with regard to a 2007 Financial Industry Regulatory Authority action in its brochure.

CONCLUSIONS OF LAW

8. The Assistant Commissioner finds that the Registration Section of the TSD is authorized to bring this action as it is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policies and provisions of the Act. Tenn. Code Ann. § 48-1-116(b).

9. The findings of fact as stated above demonstrate that St. Bernard omitted statements of material fact in its application with regard to the disciplinary histories of its agents and investment adviser representatives.

10. The findings of fact as stated above demonstrate that St. Bernard has willfully failed to comply with the provisions of the Act and Tennessee Securities Rules promulgated thereunder by failing to promptly amend its Form BD and Form ADV as required by Tenn. Comp. R. & Regs. 0780-04-03-.02(2)(d) and (4)(d).

11. St. Bernard's conduct provides grounds for the denial of its application for registration as an investment adviser pursuant to Tenn. Code Ann. § 48-1-112(a)(1) – (a)(2)(B).

ORDER

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

1. The application for the registration of St. Bernard Financial Services, Inc. as an investment adviser in the state of Tennessee is **DENIED**.

2. The applicant is advised that it has the right to a hearing on all matters raised in this Order of Denial. If the applicant wishes to exercise its right to a hearing, notice must be provided in writing to:

**FRANK BORGER-GILLIGAN
ASSISTANT COMMISSIONER FOR SECURITIES
TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
DAVY CROCKETT TOWER, 8th FLOOR
500 JAMES ROBERTSTON PKWY
NASHVILLE, TN 37243**

Such request must be received within ten (10) days of this issuance of this Order. If the request is not timely received, this Order shall become effective as of 12:00 PM CST on the tenth (10th) day following its issuance.

ENTERED this 10th day of April, 2018.



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